

By Mr. LOUDENSLAGER: Petition of S. E. Layer and others, of New Jersey, for a national highways commission—to the Committee on Agriculture.

Also, petition of Elmer (N. J.) Grange, for creation of a national highways commission—to the Committee on Agriculture.

By Mr. McMORRAN: Petition of citizens of Port Huron, Mich., against the Penrose bill—to the Committee on the Post-Office and Post-Roads.

By Mr. MADDEN: Petition of citizens of New York and vicinity for relief for heirs of victims of *General Slocum* disaster—to the Committee on Claims.

Also, petition of citizens of New York and vicinity, for relief for heirs of victims of *General Slocum* disaster—to the Committee on Claims.

By Mr. MADISON: Petition of citizens of Beeler, Ness County, Kans., for prohibition in the District of Columbia—to the Committee on the District of Columbia.

By Mr. MALBY: Petition of Bangor (N. Y.) Grange, for Federal construction of highways—to the Committee on Agriculture.

By Mr. MOON of Tennessee: Paper to accompany bill for relief of Alexander H. Keith—to the Committee on War Claims.

By Mr. MOORE of Pennsylvania: Petition of Philadelphia Board of Trade, for S. 28, to provide for ocean mail service between the United States and foreign ports, and to promote commerce—to the Committee on the Merchant Marine and Fisheries.

By Mr. NEEDHAM: Petition of Soquel Grange, No. 349, against the Penrose bill—to the Committee on the Post-Office and Post-Roads.

Also, petition of Soquel Grange, No. 349, for forest reservations in White Mountains and Southern Appalachian Mountains—to the Committee on Agriculture.

Also, petition of Soquel Grange, No. 349, for investigation of conditions existing in the Santa Cruz Mountains, and especially in the vicinity of the Lomo Prieta Mountains, and, if practicable, establish a national forest reservation—to the Committee on Agriculture.

By Mr. PADGETT: Paper to accompany bill for relief of the Methodist Episcopal Church of Nolensville, Tenn.—to the Committee on War Claims.

By Mr. PATTERSON: Paper to accompany bill for relief of Vance V. Pearsall (previously referred to the Committee on Invalid Pensions)—to the Committee on Pensions.

By Mr. PETERS: Petition of Boston city council, for battleship building at navy-yards—to the Committee on Naval Affairs.

By Mr. ROTHERMEL: Petition of Howard W. Body and other citizens of Berks County, Pa., in favor of S. 3152, for additional protection to the dairy interests—to the Committee on Agriculture.

By Mr. SHEPPARD: Paper to accompany bill for relief of William H. Taylor—to the Committee on War Claims.

By Mr. SPARKMAN: Petition of citizens of Florida, against the Penrose bill—to the Committee on the Post-Office and Post-Roads.

By Mr. SPERRY: Petition of Central Labor Union of Meriden, Conn., for battleship construction in navy-yards—to the Committee on Naval Affairs.

Also, petition of Local Union No. 287, of Waterbury, Conn., against Penrose amendment to post-office laws—to the Committee on the Post-Office and Post-Roads.

Also, petition of citizens of North Haven, Conn., for a national highways commission—to the Committee on Agriculture.

Also, petition of Mad River Grange, of Waterbury, Conn., for a national highways commission—to the Committee on Agriculture.

Also, petition of Central Labor Union of Danbury, Conn., for battleship construction in navy-yards—to the Committee on Naval Affairs.

By Mr. STEPHENS of Texas: Petition of citizens of Delhart, Tex., against the Penrose amendment to postal laws—to the Committee on the Post-Office and Post-Roads.

By Mr. SULZER: Petition of James E. Macher, for forest reservations in White Mountains and Southern Appalachian Mountains—to the Committee on Agriculture.

Also, petitions of Langdon Mitchell and R. R. Hanch, for protection in copyright bill for musical composers—to the Committee on Patents.

Also, petition of William J. Cash, against the Currier copyright bill—to the Committee on Patents.

Also, petition of organization of *General Slocum* survivors, for an appropriation for relief of survivors of the victims of the disaster—to the Committee on Claims.

By Mr. TCU VELLE: Petition of Presbyterian Church of Gomer, Ohio, for the Littlefield original-package bill—to the Committee on the Judiciary.

HOUSE OF REPRESENTATIVES.

SATURDAY, March 14, 1908.

The House met at 12 o'clock m.

Prayer by the Chaplain, Rev. HENRY N. COUDEN, D. D.

The Journal of yesterday's proceedings was read and approved.

RELIEF OF TOBACCO GROWERS.

Mr. DALZELL. Mr. Speaker, I ask unanimous consent to discharge the Committee of the Whole House on the state of the Union from the further consideration of the bill H. R. 17520, and that it be considered in the House.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to discharge the Committee of the Whole House on the state of the Union from the further consideration of the bill and that it be considered in the House. The Clerk will report the title of the bill.

The Clerk read as follows:

A bill (H. R. 17520) for the relief of tobacco growers.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

The bill was read, as follows:

A bill (H. R. 17520) for the relief of tobacco growers.

Be it enacted, etc., That subdivision 9 of section 3244 of the United States Revised Statutes, as amended by section 69 of the act entitled "An act to reduce taxation, to provide revenue for the Government, and for other purposes," approved August 28, 1894, is hereby further amended so as to read as follows:

"Every person whose business it is to manufacture tobacco or snuff for himself, or who employs others to manufacture tobacco or snuff, whether such manufacture be by cutting, pressing, grinding, crushing, or rubbing of any raw or leaf tobacco, or otherwise preparing raw or leaf tobacco, or manufactured or partially manufactured tobacco or snuff, or the putting up for use or consumption of scraps, waste, clippings, stems, or deposits of tobacco resulting from any process of handling tobacco, or by the working or preparation of leaf tobacco, tobacco stems, scraps, clippings, or waste, by sifting, twisting, screening, or any other process, shall be regarded as a manufacturer of tobacco: *Provided*, That unstemmed tobacco in the natural leaf and not manufactured or altered in any manner shall not be subject to any internal-revenue tax or charge of any kind whatsoever, and it shall be lawful for any person to buy and sell such unstemmed tobacco in the leaf without payment of tax of any kind: *Provided further*, That any person who sells natural leaf tobacco to manufacturers of tobacco, snuff, or cigars shall be deemed and considered a dealer in leaf tobacco and become subject to all the provisions, rules, and regulations of subsection 6 of section 3244, United States Revised Statutes, as amended by section 14, act of March 1, 1879, and also as amended by the act of March 3, 1883, and, further, shall be subject to all the provisions of section 3360, United States Revised Statutes, as amended by section 14, act of March 1, 1879, and of sections 3359 and 3391, United States Revised Statutes: *And provided further*, That farmers and growers of tobacco may sell leaf tobacco of their own growth and raising to manufacturers of tobacco, snuff, or cigars without being considered leaf dealers or manufacturers of tobacco and shall not be subject to the sections of the law and amendments thereof above named."

Mr. DALZELL. Mr. Speaker, just one word. This bill was passed in the last Congress and is reported to this Congress unanimously by the Committee on Ways and Means. The bill was drawn originally by the Commissioner of Internal Revenue, Mr. Yerkes, and the purpose of the bill, in short, is to relieve the farmer who raises tobacco from a status under the law of a manufacturer or dealer, and to relieve him, therefore, to that extent of tax.

The bill was ordered to be engrossed for a third reading; and being engrossed, it was accordingly read the third time and passed.

COMMITTEE ON EXPENDITURES IN THE DEPARTMENT OF JUSTICE.

Mr. MUDD. Mr. Speaker, I ask unanimous consent for the present consideration of the following resolution.

The Clerk read as follows:

Resolved, That the Committee on Expenditures in the Department of Justice is hereby authorized during the Sixtieth Congress to have such printing and binding done as may be required in the transaction of its business.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

The question was taken, and the resolution was agreed to.

HEARINGS ON THE PENSION APPROPRIATION BILL.

Mr. TAWNEY. Mr. Speaker, I ask unanimous consent for a print of a thousand copies of the hearings before the subcommittee of the House Committee on Appropriations on the pension appropriation bill for the year 1900.

The SPEAKER. The gentleman from Minnesota asks unanimous consent for a print of a thousand copies of the hearings before the subcommittee of the Committee on Appropriations on the pension appropriation bill. Is there objection? [After a pause.] The Chair hears none.

BRIDGE ACROSS MOBILE RIVER, MOBILE, ALA.

Mr. TAYLOR of Alabama. Mr. Speaker, I ask unanimous consent for the present consideration of the following bill.

The Clerk read as follows:

A bill (H. R. 17311) to authorize the Pensacola, Mobile and New Orleans Railway Company, a corporation existing under the laws of the State of Alabama, to construct a bridge over and across the Mobile River and its navigable channels on a line approximately east of the north boundary line of the city of Mobile, Ala.

Be it enacted, etc., That the Pensacola, Mobile and New Orleans Railway Company, a corporation existing under the laws of the State of Alabama be, and is hereby, authorized to construct, operate, and maintain a bridge, and its approaches thereto, across the Mobile River and its navigable channels, in the counties of Baldwin and Mobile, in the State of Alabama, at a point approximately east of the north boundary line of the city of Mobile, to be approved by the Secretary of War, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

Sec. 2. That the right to alter, amend, and repeal this act is hereby expressly reserved.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

The bill was ordered to be engrossed for a third reading; and being engrossed, it was accordingly read the third time and passed.

BUREAU OF CORPORATIONS.

Mr. HARDWICK. Mr. Speaker, I rise to make a privileged motion.

The SPEAKER. The gentleman from Georgia rises to a privileged motion, which he will state.

Mr. HARDWICK. Mr. Speaker, I move to discharge the Committee on Interstate and Foreign Commerce from the consideration of the resolution which I send to the Clerk's desk, and ask for immediate consideration by the House of the resolution, now being privileged.

The SPEAKER. The gentleman from Georgia moves to discharge the Committee on Interstate and Foreign Commerce from the consideration of the following resolution, which the Clerk will report.

The Clerk read as follows:

House resolution 286.

Whereas the act of February 14, 1903, establishing the Department of Commerce and Labor contains the following provision:

"Sec. 6. That there shall be in the Department of Commerce and Labor a bureau to be called the Bureau of Corporations, and a Commissioner of Corporations who shall be the head of said bureau, to be appointed by the President, who shall receive a salary of \$5,000 per annum. There shall also be in said bureau a deputy commissioner who shall receive a salary of \$3,500 per annum, and who shall in the absence of the Commissioner act as, and perform the duties of, the Commissioner of Corporations, and who shall also perform such other duties as may be assigned to him by the Secretary of Commerce and Labor or by the said Commissioner. There shall also be in the said bureau a chief clerk and such special agents, clerks, and other employees as may be authorized by law.

"The said Commissioner shall have power and authority to make, under the direction and control of the Secretary of Commerce and Labor, diligent investigation into the organization, conduct, and management of the business of any corporation, joint stock company, or corporate combination engaged in commerce among the several States and with foreign nations, excepting common carriers subject to 'An act to regulate commerce,' approved February 4, 1887, and to gather such information and data as will enable the President of the United States to make recommendations to Congress for legislation for the regulation of such commerce, and to report such data to the President from time to time as he shall require; and the information so obtained or as much thereof as the President may direct shall be made public.

"In order to accomplish the purposes declared in the foregoing part of this section, the said Commissioner shall have and exercise the same power and authority in respect to corporations, joint stock companies, and combinations subject to the provisions hereof, as is conferred on the Interstate Commerce Commission in said 'Act to regulate commerce' and the amendments thereto in respect to common carriers so far as the same may be applicable, including the right to subpoena and compel the attendance and testimony of witnesses and the production of documentary evidence and to administer oaths. All the requirements, obligations, liabilities, and immunities imposed or conferred by said 'Act to regulate commerce' and by 'An act in relation to testimony before the Interstate Commerce Commission,' and so forth, approved February 11, 1893, supplemental to said 'Act to regulate commerce,' shall also apply to all persons who may be subpoenaed to testify as witnesses or to produce documentary evidence in pursuance of the authority conferred by this section."

Therefore be it

Resolved, That the President of the United States be requested, if not incompatible with the public interests, to communicate to the House all such information and data reported to him under the above provision of law and not yet made public by him.

Mr. HEPBURN. I raise the point of order against the consideration of that resolution. It is not privileged; and the privileged character of the resolution is destroyed by the preamble.

Mr. HARDWICK. I would like to be heard on the point of order.

The SPEAKER. The Chair will hear the gentleman from Georgia, briefly.

Mr. HARDWICK. I contend that the point of order the gentleman raises is not good against this resolution, for the reason that the preamble recites nothing but provisions of law, and then the resolution simply requests the President of the United States to give to this House such information as has been collected under that law.

The resolution is not subject to the point of order, and the preamble simply recites what is the existing law, so that the attention of the President may be directed to the precise information the House wants to get. I believe that a careful and fair examination of the resolution will compel the Chair to that opinion.

The SPEAKER. The Chair will hear from the gentleman from Iowa.

Mr. HEPBURN. It seems to me, Mr. Chairman, that the rule is not affected in any way by the character of the preamble or by the matter that it recites. It does recite, at least, a fact of legislation.

Mr. HARDWICK. Will the gentleman yield for a question?

Mr. HEPBURN. Yes.

Mr. HARDWICK. The gentleman would not think that because you recited the provisions of a law that had been enacted by Congress you were making a statement of fact.

Mr. HEPBURN. Undoubtedly, if you do it in the character and nature of a preamble.

Mr. HARDWICK. When you recite just what the law is?

Mr. MANN. Mr. Speaker, I can not recall exactly the wording of the resolution, but the law which was enacted provided that the President should make public such information as he should deem proper collected by the Bureau of Corporations. I take it that it is not within the province of the House, and hence it would not be a privileged resolution, to ask the President to do more than is provided by the law. Just what the form of the resolution is I do not now remember.

Mr. CLARK of Missouri. Mr. Speaker, I should like to ask the gentleman a question.

Mr. MANN. Certainly.

Mr. CLARK of Missouri. What harm is there in asking the President of the United States to give to Congress any information he may have, no difference how he got it, provided it is not incompatible with the interests of the public service?

Mr. TAWNEY. Because the law expressly provides that it shall not be given to the public.

Mr. MANN. I was discussing the point of order, as to whether this would be a privileged resolution.

Mr. CLARK of Missouri. This resolution does not do anything except recite the law, so that the President may know what he is being asked to do.

Mr. MANN. The President is supposed to know the law as well as the House.

Mr. CLARK of Missouri. That is a very violent presumption. [Applause on the Democratic side.]

Mr. MANN. My observation has been that the President is far better posted on the law than is that side of the House.

Mr. CLARK of Missouri. I think you have made very poor observations.

Mr. MANN. The gentleman may be looking toward the President, but I am looking more toward that side of the House. Perhaps we both observe the ignorance that we all have in reference to the law. Now, the law provided what the President should make public. It is wholly within the discretion of the President. The matter was well considered. Here is a proposition requesting the President to make public to the House information which (I suppose that is the object) he has not made public under the law, because in his compliance with the law he did not choose to make it public. The law which the gentleman recites contemplates the gathering of confidential information, not to be made public, and leaves it within the discretion of the President to decide what information shall be made public. Now, as I say, I do not remember the exact wording of this resolution.

Mr. WILLIAMS. Mr. Speaker—

The SPEAKER. Does the gentleman from Illinois yield to the gentleman from Mississippi?

Mr. MANN. I always do.

Mr. WILLIAMS. I thought the gentleman had completed his remarks, and I was claiming recognition from the Chair.

Mr. HARDWICK. I want to ask the gentleman from Illinois if he does not recall the fact—

The SPEAKER. To whom does the gentleman yield?

Mr. MANN. I yield to the gentleman from Georgia.

Mr. HARDWICK. I wish to ask the gentleman if he does not recall the fact that on January 29, 1906, the present occupant of the Chair ruled on a privileged resolution offered by the gentleman from Texas [Mr. GILLESPIE] that a resolution of this character was privileged?

Mr. MANN. While that may be true, I do not recall the fact, and I do not even recall the exact wording of the present resolution. Much less do I recall the exact wording of the resolution offered by the gentleman from Texas.

Mr. WILLIAMS. Mr. Speaker, this resolution merely calls

for certain information, and the preamble does nothing except indicate the character of the information called for, to wit, such information as has been collected under the operation of a certain law. Now, the parliamentary rule that if the resolution be privileged its privileged character can be destroyed by something in the preamble not privileged does not apply in this case, because the preamble merely makes that certain which is required to be made certain in asking for information, to wit, the character of the information asked for. And certainly there is a right to indicate the character of the information, the special sort of information demanded, by saying it is the information provided to be collected under a particular statute.

Mr. GAINES of West Virginia. Mr. Speaker, the gentleman from Georgia [Mr. HARDWICK] said a moment ago that on the 29th of January the Speaker held a similar resolution under the same law to be privileged. I am sure it would edify the House if the gentleman would cite the precedent.

Mr. HARDWICK. On January 29, 1906, a resolution was offered on this floor by the gentleman from Texas [Mr. GILLESPIE], calling on the President of the United States for all facts within his knowledge as to the existence of a combination between certain railroad companies in violation of the Sherman antitrust law. My recollection is that this resolution referred specifically to the very act establishing the Department of Commerce and Labor. The Speaker then indicated that the resolution of the gentleman from Texas was in order and was privileged, and while I do not think the point of order was insisted upon, the RECORD, page 1701, of that session will show that I am substantially correct in my contention that the Speaker then indicated that, in his opinion, the resolution was privileged.

The SPEAKER. Was the question raised as to the preamble or was there a preamble?

Mr. HARDWICK. No; there was no preamble. But I want to emphasize the contention I made in the beginning, that I have not undertaken to do anything except to identify the information I ask for. I simply have described the law under which it is collected, and then I ask for such information as he has under that law.

Mr. HEPBURN. Mr. Speaker, I would like to call the attention of the Chair to the resolution disconnected from the preamble, to show how exceedingly important the preamble is. The gentleman from Georgia says there is nothing in the preamble but a recitation of the law. If you were to strike out the preamble, there would be nothing left. Let me read the resolution:

Resolved, That the President of the United States be requested, if not incompatible with the public interests, to communicate to the House all such information and data reported to him under the above provision of law and not yet made public by him.

Now, strike out the preamble, and what is there left of this resolution? What matter is it that you want to report? It is an absurdity if you strike out the preamble, which shows its marked importance. It is the important thing. If you strike it out, you have nothing left that the President can act upon. It identifies the information you want, and without the preamble the resolution is meaningless.

Mr. FITZGERALD. Mr. Speaker, the point made by the gentleman from Iowa [Mr. HEPBURN] assumes that the mere fact that there is a preamble to a resolution destroys its privilege. Of course that is not so. Unless the preamble contains matter which, if contained in the resolution itself, would destroy the privilege of the resolution, the preamble does not destroy the privileged character of the resolution. If the resolution be privileged and it be proposed to strike out the preamble, it is very easy to amend the resolution itself so as to set forth specifically the law to which reference is made in the preamble.

But I desire to call the attention of the Chair to the fact that if, instead of this resolution being in the form of a preamble and resolution, the entire matter contained in the preamble were contained in the resolution itself, the resolution would not be subject to a point of order. The preamble does not recite any matter that is not privileged. It recites the law, perhaps with a little more verbiage than is necessary to identify it, but it recites the law under which certain facts are collected by a certain Bureau of the Government and communicated to the President.

This resolution merely asks that the facts collected under a certain Bureau of the Government and communicated to the President be communicated to this House, if not incompatible with the public interests. A resolution of inquiry directed to the President is privileged so long as it calls for some facts within his knowledge. A careful examination of the preamble itself discloses the recitation of no facts other than those that are required to point out specifically the character of the information desired by the resolution.

Mr. GAINES of West Virginia. Mr. Chairman, I understood the gentleman from Georgia [Mr. HARDWICK] to say that the precedent he referred to was contained in the proceedings of the House of January 26, 1906. I have sent for that volume and do not find it.

Mr. HARDWICK. It was January 29, 1906.

The SPEAKER. The Chair is prepared to rule. This resolution was introduced under clause 5 of rule 22, which is as follows:

All resolutions of inquiry addressed to the heads of Executive Departments shall be reported to the House within one week after presentation.

There is nothing specific in the rule that makes the resolution privileged, but there has been a long line of decisions respecting resolutions of this kind that fairly well settle this point of order, and it has been held in the rulings of the Chair from time to time that if there is anything in the resolution, or in the preamble; for that matter, because the resolution and the preamble would have to be voted upon separately, which is aside from the purposes of a resolution of inquiry, then that destroys the privilege. The gentleman from Georgia [Mr. HARDWICK] refers the Chair to a decision which was made in 1906, and which is to be found on page 1701 of the CONGRESSIONAL RECORD, of date January 29, and the Chair will ask the Clerk to read the resolution in the case referred to.

The Clerk read as follows:

Resolved, That the President of the United States be, and he is hereby, requested to report to the House of Representatives, for its information, all the facts within the knowledge of the Interstate Commerce Commission which shows or tends to show that there exists at this time, or heretofore within the last twelve months has existed, a combination or arrangement between the Pennsylvania Railroad Company, the Pennsylvania Company, the Norfolk and Western Railway Company, the Baltimore and Ohio Railroad Company, the Philadelphia, Baltimore and Washington Railroad Company, the Northern Central Railway Company, and the Chesapeake and Ohio Railway Company, or any two or more of said railroad companies, in violation of the act passed July 2, 1890, and entitled "An act to protect trade and commerce against unlawful restraints and monopolies," or acts amendatory thereof.

The SPEAKER. Upon this resolution it appears that no point of order was made. After some consideration, the resolution was amended from a technical standpoint by practically unanimous consent. There is an absence of preamble entirely in this resolution, and the only reference to law in the resolution is to be found in the language:

In violation of the act passed July 2, 1890.

The resolution under consideration abounds in preamble; there is much of quotation marks in it; and there is something in the preamble not in quotation. On page 2 of the resolution we find this language:

And to gather such information and data as will enable the President of the United States to make recommendations to Congress for legislation for the regulation of such commerce, and to report such data to the President from time to time as he shall require; and the information so obtained, or as much thereof as the President may direct, shall be made public.

Mr. HARDWICK. Mr. Speaker, I just want to call the attention of the Speaker to the fact that my contention is that the Speaker takes judicial cognizance of what the law is—that every bit of that preamble is the law as it is written.

The SPEAKER. Precisely. The gentleman so says, but suppose the gentleman is in error? These words that the Chair has read are not even in quotation marks; but if they were, after all, it is a question of fact as to whether the law is correctly quoted in the preamble.

Mr. HARDWICK. But, Mr. Speaker—

The SPEAKER. The Chair will hear the gentleman a little later on if he desires to be heard. If this resolution were before the House for consideration, the vote would have first to be taken upon the resolution itself, which is as follows:

Resolved, That the President of the United States be requested, if not incompatible with the public interests, to communicate to the House all such information and data reported to him under the above provision of law, and not yet made public by him.

If that resolution itself were adopted, it identifies nothing. In the opinion of the Chair it would be unavailing. But suppose the resolution is adopted, and then the vote comes upon the preamble, which professes to recite the law in part and in part not to recite the law. Let us assume that the preamble is voted down, as it might or might not be. The House would then be in the condition of having adopted a resolution that is unavailing. The resolution reported by the gentleman from Texas [Mr. GILLESPIE], which has just been read by the Clerk, and which was adopted by the House, was complete within itself. The Chair, from time to time, under the rule read a moment ago by the Chair, has held matter of this kind to be privileged, those rulings at all times being subject to ratification or rejection by the House, and that leads the Chair to the opinion that the value of the resolution is to call for in-

formation, and that it should be strictly construed in the interests of the privileges of the House in order that the rule may be preserved. Therefore the Chair is of opinion, for the reasons assigned, that the preamble destroys the privilege of the resolution.

Mr. HARDWICK. Will the Chair hear me just a moment before deciding finally?

The SPEAKER. Oh, with pleasure.

Mr. HARDWICK. In the first place, Mr. Speaker, the proposition that the Chair suggests would always be true whenever there was more than one section to a bill or resolution. If some of the sections were adopted and others were not adopted, the bill or resolution might not have any sense, but it is not to be assumed that the House will do that sort of a thing.

The SPEAKER. And yet the gentleman will remember that the matter is not divisible.

Mr. HARDWICK. I do not see the difference whether it is in the preamble or in two or three sections, but I shall not elaborate upon that. I am convinced myself that I am right about that, and of course if I can not convince the Speaker, that is my misfortune and not his fault.

But, Mr. Speaker, there is one other proposition. So far as the quotation of law is concerned, I have always understood it that the Speaker of the House or any court should take judicial cognizance of what the law is, and it is not a question of fact as to what the law is.

The SPEAKER. But the gentleman will notice that this preamble throws the burden upon the House to make an investigation of facts for itself as to whether the preamble correctly recites the law or as to whether the words not in quotations, heretofore read by the Chair, are a part of the law or whether they are aliunde to the law, and such an investigation, whether it be little or much, is a distinct matter to which the House should not be brought in considering a privileged resolution of inquiry. Therefore the Chair sustains the point of order.

LEGISLATION CONCERNING INDIANS.

The SPEAKER. The Chair directs the Clerk to read the following.

The Clerk read as follows:

The bills H. R. 18617, providing for the disposal of the interests of Indian minors in real estate in Yakima Indian Reservation, Wash., and H. R. 17717, to authorize the Secretary of the Interior to issue patents in fee to purchasers of Indian lands under any law now existing or hereafter enacted, were erroneously referred to the Union Calendar, and the Chair directs that the bills be placed upon the House Calendar, where they properly belong.

PENSION APPROPRIATION BILL.

Mr. KEIFER. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the purpose of considering the bill (H. R. 16268) making appropriations for the payment of invalid and other pensions of the United States for the fiscal year ending June 30, 1909, and for other purposes.

The SPEAKER. The gentleman from Ohio moves that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the pension appropriation bill.

Mr. KEIFER. And pending that motion, Mr. Speaker, I desire to ask unanimous consent that the time given for general debate upon this bill be equally divided between the majority and the minority sides of the House, and that the gentleman from Mississippi [Mr. BOWERS] control one half of the time and that I may control the other half.

The SPEAKER. The gentleman from Ohio [Mr. KEIFER] asks unanimous consent that the time may be equally divided between the majority and the minority for general debate, and that the gentleman from Ohio and the gentleman from Mississippi control the time. Is there objection?

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from Ohio [Mr. KEIFER] that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the pension appropriation bill.

The motion was agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 16268), the pension appropriation bill, making appropriation for the payment of invalid and other pensions of the United States for the fiscal year ending June 30, 1909, with Mr. TOWNSEND in the chair.

Mr. KEIFER. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. The gentleman from Ohio asks unanimous consent that the first reading of the bill be dispensed with. Is there objection?

There was no objection.

Mr. KEIFER. Mr. Chairman, I do not think it is necessary to have the report accompanying this bill read now. I do not propose at present to undertake to make any speech on the subject of this bill. It appropriates \$150,000,000 for the purpose of paying all classes of pensioners. This is the largest pension bill ever reported in the Congress of the United States. It is in exact accordance with the estimate of the Pension Bureau. There are other appropriations in the bill relating to the cost of paying pensions, and there is a material reduction in such appropriations looking to the matter of changing the pension agencies. But I wish to say now that I expect to speak on that subject later and also that my colleague [Mr. BOWERS] on the committee, I understand, desires to do so later.

At present I yield forty-five minutes of time to the gentleman from Ohio [Mr. BANNON].

Mr. BANNON. Mr. Chairman, the history of the Republican party during the past half century has been the history of our country for that period; and the history of Ohio is the history of the Republican party. Ohio is proud of her history, her traditions, and her citizenship. Her leadership in the many varied fields of human endeavor has been conspicuous, and as an exponent of Republican principles and Republican doctrines that State is not surpassed by any of her sisters. Ohio is proud not only of the great men she has given to the world, but of the diversity of her resources. These have enabled that State to take its accorded rank in the history of our times. Ohio is endowed with a wealth of agricultural domain. Her broad and fertile valleys, her uplands, and her hillsides have reached such a state of development in agriculture that Ohio now stands third in the rank of States in the improvement of her farm lands, and we give to the foreign and domestic markets annually one of the largest crops of corn, wheat, oats, and other cereals produced by the States of this Union. In the production of sheep, cattle, horses, and, in fact, all farm products Ohio is well up in the list, and her record in agriculture is one of which the nation is proud. The value of all the farm property of Ohio is equal to the total value of farm property of the States of Alabama, Arkansas, Georgia, Mississippi, South Carolina, and North Carolina. The fifty-two Democratic Representatives in Congress from those States urge upon Congress and the country that the tariff is a system whereby the farmer of the South is taxed for the benefit of the manufacturers of the East and North. The Republicans of Ohio and their sixteen Republican Representatives always have and, I hope, always will repudiate that heresy. They accept the better and the more logical view of the question, which is that when the industries of America are running on full time and paying American wages to American workmen not only are these industries and their millions of employees prosperous, but the millions of Americans engaged in the pursuits of agriculture receive the highest prices for the products of their soil and their labor and participate in the prosperity enjoyed by all the country.

I will carry the comparison one step farther. The total value of all the farm property of the States of Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Texas, and Virginia is equaled by two Western States—Illinois and Iowa; yet one hundred and two of the one hundred and nine Representatives from the States I first named, upon the ground that the tariff discriminates against the farmer, contend that the industries of the North and East should be crippled by a material reduction of the tariff on the products produced by them, while thirty Republican Representatives from the two States last named believe in the doctrine, "Plant the factory by the farm," upon the sound reasoning that the farm furnishes a very large percentage of the raw material fashioned by the factory into the finished products, and that those engaged in industrial pursuits are the best customers of those engaged in agriculture. This has become the settled policy of this country. It is a Republican policy. Under it manufacture has continuously moved westward and southward, and those sections of our country are destined to equal the North and East in manufacture.

The Democratic platforms of many Presidential campaigns not only declared for a tariff for revenue only, but even as late as 1904 denounced the Republican principle of protection as a fraud and a robbery. Yet under this very system of protection the States that furnish no votes in favor of protection, but do furnish the bulwark of the opposition to it, have shown most wonderful progress. During the decade from 1890 to 1900 the value of products manufactured in Alabama increased from fifty-one million to eighty million dollars, or one and a half times. In Arkansas the increase was from twenty-two million to forty-five million dollars, or more than double; in Florida, from eighteen million to thirty-six million dollars, or

twice as much; in Louisiana, from fifty-eight millions to one hundred and twenty-one millions, or more than double; in Mississippi, from nineteen millions to forty millions, again more than double; in North Carolina, from forty millions to ninety-five millions, doubled again and then some; in South Carolina, from thirty-two millions to fifty-eight millions; in Tennessee, from seventy-two millions to one hundred and eight millions; in Texas, from seventy millions to one hundred and nineteen millions; in Virginia, from eighty-eight millions to one hundred and thirty-two millions. Yet the Democratic Representatives from these States and the Democrats from these States upon every occasion denounce protection as a robbery, and this in the face of the magnificent record it has made for them.

The development of these States is an achievement of which we are all proud. They are no longer agricultural only, but are manufacturing States also, and with their diversity of interests serving them so well they should cease denouncing as a robbery the prime source of their progress. If protection is a robbery, it is wrong. To receive stolen goods, knowing them to have been stolen, is wrong. Denunciation of the robber does not justify the receiver of the stolen property, and the States I have named are there with the goods. [Laughter and applause on the Republican side.] In a speech on the floor of this House a Representative from the State of Georgia [Mr. HARDWICK] said, on February 12 last:

Mr. Chairman, stranger than fiction, more marvelous than romance, has been the wonderful history of American industrial development. When this Government was established we were, commercially and industrially, the weakest of the weak. To-day we are the strongest of the strong. Then we were the poorest of the poor. Now we are the richest of the rich. Then we were almost entirely an agricultural people. Now we are not only the leading agricultural, but also the leading manufacturing nation of earth. In the production of all of the great food staples we are easily first. In the production of silver we lead the world. We are now second, and are rapidly advancing to the first place among the nations in the production of gold. In the production of most of the great raw materials we lead the world.

Yes! And he might have added that at the time this Government was established, and when we were commercially and industrially the weakest of the weak, the first tariff act was passed. That was in 1789. That act was approved by President Washington. It took effect on July fourth. In its preamble it specifies three things that made the levying of a duty on goods, wares, and merchandise imported necessary, and these were the support of the Government, the payment of our debts, and the encouragement and protection of our manufactures. Now, the fact that we have grown under this financial policy and have become what the gentleman from Georgia says we are is given as a reason by him for advocating a tariff which shall not be along protective lines. In other words, he advises us to leave the old and well-known channel, disregard the beacon lights which more than a century of experience have proven to point the true way to a safe and successful voyage, and enter upon a course which always has and always will be attended with disaster and the wrecking of the fortunes and opportunities of the American people. The principle of protection has been the policy of the Republican party since its organization, and it is its principle to-day.

But I started in to talk to you about Ohio. We are not only proud of Ohio in agriculture, but in her manufactures as well. With her great systems of water transportation on the north and south, her network of railways extending like a spider's web all over the State, her coal and iron, her central location, Ohio is one of the workshops of the world. In iron and steel Ohio has held second rank since 1870. From 1890 to 1900 Ohio's production of iron and steel doubled, and from 1900 to 1905 it increased 10 per cent. From Bulletin No. 58, issued by the Department of Commerce and Labor, giving the census of manufactures for 1905, I learn that the cost of both material and labor in Ohio blast furnaces increased materially. The quantity of ore used in 1905 over 1900 increased 22.4 per cent, but the cost of this ore increased 54.7 per cent; while the quantity of fluxing materials increased 16.9 per cent, their cost increased 34.3 per cent; and the quantity of the coke used increased 17.7 per cent, yet its cost increased 53.5 per cent.

There is a demand from all the Democrats and some Republicans for a revision of the iron and steel schedules of the Dingley law on account of the high price of those products. If the cost of labor and material increased, as they did, the product must necessarily increase in price. If the duties are decreased so that competition from abroad becomes profitable to the foreign manufacturer of iron and steel he will at once invade our market, and the result must inevitably be that either he will sell his products in large quantities in our market or the prices of the labor and the materials used in making these

products will have to be reduced in order that the home manufacturer may meet and exclude his foreign competitor. The Republican party may be relied upon to protect this industry from foreign competition, thereby insuring to our workmen the standard of American wage and American living. If a lower level is established the hardship will fall most heavily on the wage-earner and upon the man who feeds him.

In foundry and machine-shop products Ohio ranks second; in her flour and grist mills, third; in the manufacture of boots and shoes, third; in railroad repair shops, seventh; in clay products, first; in planing mills, tenth; in carriages and wagons, first; in material for carriages and wagons, first; in furniture, fifth; in agricultural implements, third; in paper and wood pulp, sixth; in glass, third; in cash registers, first; in paints, fourth. In 1905 the number of wage-earners engaged in manufacture in Ohio was more than 364,000, and to them was paid as wages more than \$182,000,000, and the value of the products of our manufacturing industries was more than \$960,000,000. That labor participated in the prosperity enjoyed by all manufacturing industries is shown by the fact that while the percentage of increase between 1900 and 1905 of the number of wage-earners so engaged was 18 per cent and the value of the products 28 per cent, the total of the wages paid these employees increased 33 per cent. It is upon this magnificent record that the Republican party will successfully appeal to the electorate of Ohio in the next Presidential campaign.

No schedule in the tariff law is denounced by free traders so vehemently and at the same time so unreasonably as the iron and steel schedule. That industry is one of the most important in Ohio. The ninety establishments manufacturing iron and steel in Ohio produced in 1905 products equal in value to one-sixth of the total of all the industries of that State. That industry is first in rank in Ohio. In 1905 the value of the product of our blast furnaces was \$40,862,451, and that of our steel works and rolling mills \$111,996,673, or in all \$152,859,124. More than 33,000 wage-earners were employed, to whom was paid more than \$2,000,000 in wages. While there was a slight decrease in the number of wage-earners for 1905 as compared with 1900, about 1½ per cent, nevertheless the wages increased more than 12 per cent. Every manufacturer in Ohio engaged in this industry and every wage-earner employed in the furnaces, mills, and foundries knows that their interests are safe and will be protected by a Republican Congress and that their interests are jeopardized and in danger with Democracy in control. The furnace men, mill men, and foundry men of the Ohio Valley, of Cleveland, of Cincinnati, of Columbus, and of Youngstown remember too well the four years from 1893 to 1897, when their mills and foundries were idle and the fires of their furnaces were out. Deprived of their market, stagnation and disaster stared them in the face; and for the strong men willing to work there was none, and for their homes and families they were unable to supply the comforts and luxuries available to them during the past ten years.

In the nation this industry has made a most wonderful and marked growth. In 1861, when the Republican party first came into power, we were dependent upon Europe for our iron and steel. We had the ore, and we had the coal and the other materials necessary in this industry. By an adherence to our protective policy these plants increased in number and grew in size, so that to-day, instead of being dependent upon Europe for these products, we are ourselves furnishing them to the world. In 1887 our exports of iron and steel products were valued at \$16,250,000; in 1897, \$63,000,000; and in 1907, \$200,000,000. Expressed in percentage for these twenty years, it is 1,131 per cent increase. Almost one-half of our exports for 1907 were machinery of various kinds. Our home market is supplied by our home industries, and the tremendous growth of this market is apparent to all. But the great growth of this industry, its marvelous extension and development, of which we are all so proud, has proven to be the source of the attacks made upon it; and because it has prospered, and because it has grown, and because it has been successful it is threatened with the infliction of a penalty by a very material reduction in the duty. Success and greatness always have brought and always will bring enemies. It is so in business, and it is so with men. Industries that become great in the world are the center of hostile criticism and attack, just as the public men who achieve distinction and honor bring upon themselves opposition, slander, and even hatred that otherwise would not be theirs. If the duties affecting this industry are to be revised, it must be done by its friends and not by its enemies, by Republicans and not by Democrats. The wage-earners in Ohio employed in these industries and the men engaged in operating them will again next November ex-

press their confidence in that party whose principles have made possible the development of this production, and they will do their part toward delegating the work of revision, if revision must come, to the Republican party.

The growth of the annual production of steel rails is one of the results of the Republican protective system. From an output of 2,277 tons in 1867, our production has grown to three and one-half million tons in 1907. The price has been reduced during the same period from \$166 per ton to \$28 per ton. The duty has been reduced from 45 per cent ad valorem in 1871, or an equivalent of \$46 per ton, to \$28 per ton from 1875, and then to \$17 per ton from 1883, \$13.44 per ton from 1890, and \$7.84 per ton from 1894. Under the operation of the Republican protective system we have increased the production, reduced the price, and reduced the duty. Of our production of rails last year we exported 338,906 tons, or about 10 per cent. Now, the fact that this 10 per cent of steel rails produced in American mills by American workmen who were paid an American wage may have been sold abroad for 5 per cent less than the domestic price is seized upon by the Democratic party as a point for attack upon the iron and steel schedule and is urged as a reason why our tariff act should be a revenue measure only and not a protective measure. It forms the basis of Democratic attacks upon the United States Steel Corporation—the "steel trust," as they call it—and all other iron and steel industries.

In answer to them I would say that while the domestic price of Great Britain is \$31.50 per ton, their export price is \$25; in Germany the domestic price is \$30 per ton and the export price \$24; in France the domestic price is \$31 and the export price is \$25.50; in Austria the domestic price is \$31 and the export price \$25.50; in Belgium the domestic price is \$30 and the export price \$24; in the United States the domestic price is \$28 per ton and the export price \$26.60. The American railway buys rails from American manufacturers cheaper than the English railway buys rails from the English manufacturers; cheaper than the German railway buys from the German manufacturer; cheaper than the French railway buys from the French manufacturer; cheaper than the Austrian railway buys from the Austrian manufacturer, and cheaper than the Belgian railway buys from the Belgian manufacturer. [Applause.]

No manufacturer can calculate with exactness what quantity he can sell in a year or how much he ought to or can produce. The market may be strong or it may be weak. The accumulation of a stock of steel rails is neither practicable nor the exercise of good business judgment, and it is far better that our mills be kept busy on full time, paying the breadwinner of the family good wages and giving him steady employment, than to put out the fires, disorganize and disrupt the force, and deprive the wage-earner of his wage. An export discount of 5 per cent on 10 per cent of the production! What does it amount to? It does not cripple our railroads. They are not complaining. It does not influence freight rates. Ours are now the lowest in the world. Simply a small surplus is sold abroad. The home market, the home industry, and the home wage-earner are maintained. Besides, if there is a demand for the entire output for home consumption at \$28 per ton, is any sensible being justified in presuming that the home market will not be first supplied? Would any business man sell for \$26.40 that which he can get \$28 for?

In iron and steel structural material the difference between the domestic and export price is in about the same proportion as that given for the countries I have just named for steel rails. But this question of export discounts has become what the lawyers call *res judicata*. It was submitted to the American people in 1900, again in 1902 and in 1904 and in 1906. The verdict was that there was nothing in it. Senator GALLINGER has pointed out that out of every three thousand dollar's worth of manufactures produced in this country one dollar's worth is sold abroad at a discount under the domestic price, and logically concludes it is better to do this and keep our industries busy on full time and our wage-earners in steady employment at good wages rather than to put out the fires, still the hum of industry, and deprive our people of work. [Applause on the Republican side.]

Mr. TIRRELL. I would like to inquire if the gentleman in the course of his investigations he has not also discovered that after our foreign trade is fairly established abroad in any particular country that many of the industries to which he has referred are not receiving higher prices for their products than they are receiving here? In other words, if the foreign trade is not really better than the domestic trade in many of those industries that have been firmly established abroad by our manufacturers?

Mr. BANNON. That is undoubtedly true.

Another important industry in Ohio is the manufacture of

fire brick and ground fire clay. That industry is dependent upon the condition of the iron and steel industry, because fire brick and fire clay are an important factor in the construction and repair of mills and furnaces. When the furnaces and mills are busy so are the fire-brick yards, and when iron and steel bring good prices so do the products of these yards. If the steel worker has steady employment at good wages, so does the fire-brick maker, and the protective tariff on iron and steel not only protects the former, but the latter as well. The friends of protection can and will give these intimately related industries fair treatment, and the enemies of protection will not. In November those engaged in the iron industry and in the fire-brick industry, in Ohio at least, will have the opportunity of saying whether they desire the tariff revised by its Republican friends or its Democratic enemies, and the result will be the same that Ohio has registered in every Presidential campaign for more than forty years. [Applause.]

One of the important Ohio agricultural productions is wool. For years the cry of free wool was heralded by Democracy all over this country. What a panorama they spread before us! Cheaper clothes for the farmer, the wage-earner, and for everybody. New woolen mills springing up everywhere, giving steady employment to countless thousands and dividends to the capital invested. Finally, in 1894, the Democratic party gave us a tariff law by the terms of which our manufacturers got free wool. And then the farmers of Ohio and Texas and California and New Mexico and Michigan and of the Northwest, the employees of the woolen mills of the North and East, and those having their money invested in these mills were duly impressed with the great prosperity which was to come to them from free wool, but which, however, failed to arrive. Many woolen mills were closed. Everybody wore their old clothes. They had no money with which to buy new ones. The employees of these mills were either out of work or employed on half time at reduced wages. The dividend check remained in the check book. With free raw material for the factory the factory was idle. The figures tell the story. In 1896 with free wool the farmer received from seventeen to eighteen cents per pound for the wool sheared from his flocks. In 1906, under a Republican protective tariff, he received from thirty-four to thirty-five cents per pound. That is the difference between protection and free trade to the farmer. Let us see how the factory is affected.

In 1896 we imported, under a Democratic tariff, woolen manufactures to the value of \$53,000,000, but in 1906, under a Republican tariff, we imported woolen manufactures to the value of \$23,000,000. In other words, under the Democratic plan wages necessary to produce \$53,000,000 worth of woolen goods were paid to foreign workmen in foreign mills, while under the Republican plan wages on less than half of that importation were paid abroad. [Applause on the Republican side.] Under the Democratic system the wages were paid to the foreigner; under the Republican to the American. [Applause.] In 1896 we exported \$913,000 worth of woolen manufactures, but in 1906 we exported more than \$2,000,000 worth of this commodity. To state it another way. Under the Republican plan we paid American wages to American workmen upon more than twice as much woolen manufactures exported than we did under the Democratic plan. Under their scheme the farmer gets almost nothing for his wool; the wage-earner next to nothing for his labor, and the mill owner nothing at all for his investment. And these facts will be before the Ohio farmer when he goes to the polls in November. [Applause on the Republican side.]

Let us next consider another Ohio industry—the manufacture of boots and shoes. Ohio ranked fourth of the States of the Union in that industry in 1900 and third in 1905. During the latter year we manufactured more than \$25,000,000 worth of boots and shoes, and paid to 13,890 wage-earners engaged in their manufacture almost five and one-quarter millions of dollars. Now, let us see how Democratic tariff revision would affect that industry. In the Fifty-ninth Congress the gentleman from Missouri [Mr. CLARK] said that if the Republican side would agree to remove the tariff on boots, shoes, and leather, coupled with a proposition for free hides, he would support it so quick it would make our heads swim, and such a measure would be passed by the House. The removal of the tariff on boots and shoes would bring the Ohio shoemaker in direct competition with the European shoemaker. The general average paid shoe lasters in Ohio in 1906 was \$19.14 per week. In England it was about \$7.50 per week. The wages paid the other operatives are in the same proportion. The cost of production in all foreign countries is less than ours—in Belgium the shoe workmen receiving from 84 cents to \$1.08 for twelve hours' work. A special agent from the Department of Commerce and Labor, after an exhaustive examination abroad, reported last year

that "the American shoemaker is the best fed, the best paid, and the most skilled in the world." Democratic tariff revision of this schedule would bring those operatives down to the level of their competitors in foreign lands and destroy the rank now held by them in the world. It would do more. It would deprive the Ohio farmer of the tariff levied for his protection upon the hides of the tens of thousands of cattle raised by him. Verily, like the darky's con trap, Democratic revision would catch them "a comin' and a gwine." I don't believe the Ohio farmer or the Ohio shoemaker will vote for Democratic revision next November.

I will not pursue this argument farther. If the national platform of the Republican party this year declares for tariff revision, then the voters of Ohio and of every State in the Union must say whether they desire revision by the friends of protection or by those who believe protection is a robbery; by a Republican Administration or by a Democratic Administration; by the party of William J. Bryan or by the party of Theodore Roosevelt. And when these same voters recall the longest four years in our history, those good old Democratic times from 1893 to 1897, when want and despair filled the land, it will not take them long to make up their minds. Republican principles bring better prices and better markets to the American farmer, the American merchant, and the American manufacturer; better wages and better homes and happier families to the American wage-earners; more commerce to the American railways and vessels; increased activity in the building trades and real estate and a better line of credits and accounts to the banker.

The gentleman from Illinois [Mr. RAINY] in a speech in this House the other day, said the negroes in Ohio would vote the Democratic ticket next November and that Ohio would go Democratic. He fails to give the Ohio negro credit for any intelligence. Ohio negroes know what Democratic hard times are just as well as the white people do. They don't want a Democratic Administration any more than we do. They are no better prepared for it than we are, and they would suffer from it just as much if not more than we would. The gentleman from Illinois also asked what would become of the Republican party without the negro vote. I ask him what would become of the Democratic party if the negro were allowed everywhere in America to exercise his constitutional right to vote? [Applause on the Republican side.] I will tell you what would become of the Democratic party. The Socialists, Populists, or Prohibitionists would cast more votes than it would. [Laughter.]

I want to say something about the old soldiers of Ohio. That State furnished in the civil war of her citizens 340,000 men, or more than one-half of her adult male population and one-eighth of the Union Army. They fought on every great battlefield of the war and were always conspicuous for their bravery. Listen to the list of Ohio's generals: Grant, Sherman, McPherson, Sheridan, Noyes, Crook, Hayes, McClellan, Rosecrans, Custer, and those gallant old warriors who have survived them all and are now Representatives in Congress from the State of Ohio, SHERWOOD and KEIFER. [Applause.] Those brave soldiers, the fighting McCooks, were all from Ohio. The nation is liberal with the veterans of her wars, and is now protecting by generous pension laws those who preserved and protected the Union.

Ohio is proud of her sons in every walk of life. In this Congress, among the many who are Ohio born, I would mention Senators ALLISON, BEVERIDGE, CARTER, ELKINS, and SCOTT, and Representatives HULL, HEFEURN, CALDERHEAD, of Kansas, GARDNER, of Michigan, BEDE, NORRIS, of Nebraska, and STURGISS. Two members of the President's Cabinet are Ohioans. Seven of the justices of the Supreme Court of the United States have been from Ohio. Thomas A. Edison, whose great inventive genius has revolutionized the industrial and business world; Doctor Hall, whose contributions to arctic exploration is a part of the world's history, and George Kennan, who gave this country its first knowledge of Siberia, are Ohioans. William D. Howells and Albion W. Tourgée are from Ohio. So are Petroleum V. Nasby and Artemus Ward.

Alice and Phoebe Cary were Ohio women, and the poem entitled "Nearer Home," written by Phoebe Cary, has found a place in almost every book of hymns. To those of this House on the minority side of this Chamber who represent districts whose people study the question of protection to American industries and appreciate the great work the Republican party has done for the benefit of the entire nation I would commend for their earnest consideration the first verse of that poem:

One sweetly solemn thought
Comes to me o'er and o'er—
I'm nearer home to-day
Than I ever have been before.

[Laughter and applause.]

Twenty-four Cabinet officers were natives of Ohio. White-law Reid is an Ohioan; Thomas Ewing, Thomas Corwin, Benjamin F. Wade, Joshua R. Giddings, and Salmon P. Chase were from Ohio. So was Allen G. Thurman, the noblest Roman of them all. That eminent statesman of our time, John Sherman, was an Ohioan. Two Vice-Presidents were from Ohio—Hendricks and Fairbanks—and Ohio has furnished a list of Presidents of whom that State and the country is proud: William Henry Harrison, Grant, Hayes, Garfield, Benjamin Harrison, and William McKinley. [Applause.] What a list of great Americans! The candidates for the next presidency have not yet been selected by the two great political parties. One county in Ohio offers three [laughter], one to the Democratic party and two to the Republican. The Democratic standard bearer will not come from Ohio. He will come from Nebraska. [Applause on the Democratic side.] They will go farther and fare worse. [Applause on the Republican side.] It is not for me in this House to predict the nominee of the Republican party. But whether he come from Indiana or Illinois, from Wisconsin or Pennsylvania, from New York or Ohio, there is one thing certain, and that is that Ohio will remain true to her traditions, true to her citizenship, true to her people, and true to the principles of the grand old Republican party, and will cast her electoral vote for the Republican nominee. [Loud applause on the Republican side.]

Mr. BOWERS. Will the gentleman from Ohio, before he takes his seat, permit me to ask him a question or two with reference to his remarks upon the iron and steel schedules? I understood him to justify the existing tariff on iron and steel products on the price of the raw material and the price of labor. Was I correct?

Mr. BANNON. No; you were not.

Mr. BOWERS. Did the gentleman say anything in his remarks with reference to the cost of the labor used in manufacturing these iron and steel products and the cost of the material?

Mr. BANNON. He did.

Mr. BOWERS. Did not the gentleman then base a justification for these schedules, to some extent, upon the cost of material and the cost of labor?

Mr. BANNON. Not entirely so.

Mr. BOWERS. Then upon what did the gentleman base it?

Mr. BANNON. I can not go back at this time and repeat my argument on that; but suffice it to say I showed that the price of material used in the manufacture of iron and steel had increased and that the wages paid to the men engaged in those industries had increased, and that consequently the price of iron and steel must necessarily increase.

Mr. BOWERS. Will the gentleman advise me, then, how he reconciles his remarks with this statement I take from the CONGRESSIONAL RECORD of May 24, 1906, as appearing in the remarks of the gentleman from Pennsylvania [Mr. DALZELL]:

Mr. UNDERWOOD. Will the gentleman from Pennsylvania allow me to ask a question, not so much as to where we sell our goods, but how we make our goods? Can the gentleman from Pennsylvania name me any steel mill in the world that can make steel rails cheaper than they are made at Pittsburgh? Can the gentleman from Pennsylvania name me any iron furnace in the world that can make pig iron cheaper than at Birmingham?

Mr. DALZELL. I think not.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. BOWERS. I willingly yield him two minutes to answer me.

Mr. BANNON. Mr. Chairman, the gentleman from Pennsylvania explained that fully. I showed, and it is not necessary to repeat my remarks on the question of steel rails, that the American railway company buys its rails from American manufacturers cheaper than does the English railway company or any other foreign railway company from the steel-rail manufacturers of such countries. Pittsburgh and Birmingham are not the only places in America where iron and steel are manufactured, but the cost of production there is much less than it is in other localities. In my district it costs more to manufacture iron and steel than in Pittsburgh or Birmingham, and those industries must be protected.

Mr. GAINES of West Virginia. Can the gentleman from Ohio name any place in the world where the workingman, in an iron or steel plant, is paid as much as he is in Pittsburgh and elsewhere in this country?

Mr. BANNON. Certainly not.

Mr. BOWERS. Or any other country where they do as much work per man.

Mr. DOUGLAS. That is true also, thank God.

Mr. BOWERS. I yield forty-five minutes to the gentleman from Missouri [Mr. HAMLIN].

Mr. HAMLIN. Mr. Chairman, the Republican party has been in control of every department of this Government since the 4th

day of March, 1897. In the legislative department you have had a large, safe working majority; in the Senate an overwhelming majority, and in this House your majority has ranged from 25 to 114. The executive department has, for most of this time, been unanimously Republican; but I think that your majority at the White House to-day is smaller than it ever has been, for there are some evident signs of Democracy visible there once in a while now.

In other words, there never has been a time since the 4th of March, 1897, when you could not have passed any law which you wanted passed, or repealed any existing law you might have desired to repeal. Your power in the nation has been full and complete, and with that power came the responsibility for the welfare, the happiness, and prosperity of the people of this nation. How well have you met that responsibility? Your first act on coming into power in 1897 was to pass the Dingley bill, the highest protective tariff law this country has ever seen, a law directly in the interest of the few and against the interests of the masses, a law which does not tax a man upon that which he possesses, but does tax him upon that which he does not possess but is compelled to have. In other words, you laid your hand heavily upon the man who toils and strives to produce the wealth of this nation, and then by taxing his necessities transferred the result of his labor into the pockets of the few, who are the beneficiaries under this law, and whose chief characteristics are to contribute liberally to Republican campaign funds to be used biennially by you to keep yourselves in power in this nation.

The few years prior to 1897 were dry years for the farmers. Crop failures were the rule; but in the year 1897 and succeeding years a kind Providence has smiled upon the farmers of this country in an abundance almost beyond comprehension, as evidenced by the fact that the surplus products of the farms have paid our indebtedness to foreign nations and turned the balance of trade in our favor to the extent of millions of dollars. And yet you were impious and arrogant enough to ignore the beneficence of a kind Providence, who sent the sunshine and showers, and tempered the seasons so as to make the corn and wheat and cotton to grow, blossom, and ripen in an abundance scarcely dreamed of, but you claimed the credit for all this was due to a Republican Administration. [Laughter on the Democratic side.] How often have you presumed upon the intelligence of the American people and played upon the prejudice of the devotees of your party by claiming that the credit for all that is good, either upon the land or in the seas, was due to a Republican Administration? How often have we been compelled to sit here and listen to your denunciation of the Cleveland Administration, the drawing of grewsome pictures of soup houses, bread riots, Coxey's army, and so forth, and then to hear you say that such things can not and will never occur under the "splendid and magnificent rule of the Republican party?" But how is it to-day?

Mr. PADGETT. Will it disturb the gentleman if I interrupt him?

Mr. HAMLIN. Not at all. I yield with pleasure.

Mr. PADGETT. I have here a clipping taken from the Washington Post a day or two since, which I will read:

19,200 FREIGHT CARS IDLE—B. & O. PROPERTY VALUED AT \$19,200,000 NOT EARNING REVENUE.

[Special to the Washington Post.]

BALTIMORE, Md., March 10.

The Baltimore and Ohio has issued the following statement: "Because of general business depression, the Baltimore and Ohio Railroad has 19,200 idle freight cars standing on yard and side tracks and in shops over the system, which includes the Baltimore and Ohio Southwestern Railroad, out of 87,500 cars. Never before in the history of the Baltimore and Ohio, the pioneer railroad of the country, was there near so many cars out of service at one time. At a valuation of \$1,000 per car, this represents \$19,200,000 of the company's money that is not earning any revenue."

The gentleman will notice that it says this is the first time in the history of the country when there were so many outstanding cars, etc.

Mr. HAMLIN. That is true.

Mr. PADGETT. Now, I want to call the attention of the gentleman to another statement. It is this:

PHILADELPHIA, March 10.

Several thousand unemployed men in this city will receive employment on public works, in all probability, in about a month, by the passage of the \$10,000,000 loan. Councils will authorize the floating of the loan at the next meeting, and Mayor Reyburn will immediately advertise for bids.

Does not that beat soup houses? [Laughter on the Democratic side.]

Mr. HAMLIN. I thank the gentleman from Tennessee for interrupting me, and further on I shall present other statements along the same line.

Mr. BURKE. Will the gentleman from Missouri yield to me?

Mr. HAMLIN. I will for a question.

Mr. BURKE. Will the gentleman who has the floor, in view of the comments that have been made, indicate to the committee how many of the 19,200 freight cars were built during a Democratic Administration?

Mr. HAMLIN. I am going to discuss that feature of it a little later, if the gentleman will give me the opportunity. However, there is one thing certain, they are not being used under this Republican Administration.

Mr. BURKE. And will the gentleman also, during the course of his remarks, indicate where it has been claimed by the Republican party that these hard times would never occur under Republican Administration?

Mr. HAMLIN. I will endeavor to answer the gentleman.

Mr. PADGETT. At the present time they are occurring under Republican Administration.

Mr. BURKE. That is the difference between the gentleman and myself.

Mr. HAMLIN. I shall show by remarks made by certain Republican Members in this House that the language used by me is quoted correctly; that these panics would not occur under Republican Administration. I will also show that every panic that has visited this country within the last fifty years has occurred under Republican Administrations or as a result of Republican Administrations.

You have been in undisturbed rule in this country for the last ten years. What do you say now? What is the matter with the country? What is the sign we see over the doors in New York, in Philadelphia, in Toledo, in Buffalo, in St. Louis, and other large cities? We see at a glance that they are soup houses. Are they Cleveland soup houses? No; they are Republican soup houses. [Laughter and applause on the Democratic side.]

On the bank doors lately have been "Closed," and not "Opened." Coxey's army is mobilizing again, preparing to march on to Washington. Thousands of workmen out of employment, tramping and begging for work. Are you going to be fair enough to take the responsibility of this condition upon yourselves; or are you going to charge this calamity up to Providence or the Democratic party, as you usually do?

Providence has certainly done His part, because there are millions of dollars of surplus farm products waiting to-day to go to market, and yet in the midst of this plenty we have one of the greatest industrial panics the country has ever seen. You have never missed an opportunity, either in this House or on the hustings, to boast that the prosperity through which we have passed was due entirely to the fact that the Republican party is in power. You have said these calamities could not come while you were in power.

The following extract from a speech delivered in this House during the Fifty-eighth Congress by the gentleman from Michigan [Mr. HAMILTON] will serve as a sample of your vain boasts. Let me read:

Eight years ago the Republican party marshaled its host in the shadows of industrial depression, in the shadows of closed factories and suspended banks.

And you, Mr. Chairman, have led us back into "the shadows of closed factories and suspended banks."

He says:

We were running in debt then at every tick of the clock, accumulating an overdraft in our Treasury.

How history repeats itself. Only a few weeks ago the eminent chairman of the Appropriation Committee vouchsafed the comforting (?) information that we were now facing a \$100,000,000 deficit.

But let us go on. He said—

Fed by selling bonds.

Yes; your mighty hosts have made a complete circle, and you are back in the shadows whence you started, for you have within the last few months sold bonds, not to replenish a depleted Treasury, but infinitely worse, to bolster up rotten finance in Wall street. [Applause on the Democratic side.] Let me proceed—

and drained by an endless chain, recruiting Coxey's army and reading Coin's Financial School.

Mr. Chairman, how natural everything looks. Yes, Coxey's army is recruiting again, and we are reading, not Coin's Financial School, but ALDRICH's and FOWLER's financial school. [Applause on the Democratic side.]

Referring to the years prior to 1897, he says:

The years were lean and the earth was bare.

True, but these ten years in which your "marshaled hosts" have been leading us, the years have been fat and the earth laden with fruitage, and yet you moved in a circle, and we are again in the shadows under your leadership. Again he says:

Then no man trusted his neighbor if he could help it.

Now, Mr. Chairman, no city banker trusts another banker if he can help it. [Applause on the Democratic side.] He says:

A man with a dollar ahead would not loan his neighbor on first mortgage because, first, he was afraid of being called a plutocrat; and, second, because he was afraid his neighbor would pay him in depreciated money.

Mr. Chairman, no man ever heard of another being paid in depreciated money in the panic of 1893, but everybody has been paid, not in money at all, but in clearing-house certificates and other disgraceful and disreputable makeshifts in this Republican panic of 1907. [Applause on the Democratic side.]

Mr. BOWERS. Mr. Chairman, will my friend permit me to give him a name for that kind of currency?

Mr. HAMLIN. With pleasure. What is it?

Mr. BOWERS. Christian Science money. [Laughter on the Democratic side.]

Mr. HAMLIN. Just think you have not got the money and you have not got it. Is that the idea?

Mr. BOWERS. Yes.

Mr. HAMLIN. Then, Mr. Chairman, I accept the suggestion.

Let us listen to the eloquent gentleman again. He says:

Out of the ruins of that time we have builded a shining edifice of prosperity and scattered laughter with a spendthrift hand, and yet nothing has happened; nothing but a Republican Administration.

God save the mark.

Mr. Chairman, may I not paraphrase the gentleman's last statement by saying that the prosperity through which we have passed these last few years, which was due entirely to the industry and frugality of our intelligent and energetic people, supplemented by a beneficent Providence who "scattered blessing with a spendthrift hand" until we have "builded a shining edifice," inhabited by a prosperous and happy people, extending from the Atlantic to the Pacific oceans, and from the Canadas to the magnolia groves of the beautiful Southland, and yet in the midst of this prosperity, without apparent reason or excuse, there came suddenly upon us a terrific panic, which has shaken the industrial world from center to circumference, turned homes of laughter into homes of tears, and hearts of hopes into hearts of despair, driven fathers from loved ones and sent them forth by the score and thousands, tramping over the country begging for work, and yet "nothing has happened; nothing but a Republican Administration?" [Applause on the Democratic side.]

It might be well to remind the gentleman of the old proverb, "Pride goeth before destruction and a haughty spirit before a fall." [Applause on the Democratic side.] Then, as a grand climax to his extravagant boasting, he says:

Now, from the offices of the stockjobber to the heights of political economy, it is everywhere apparent that we are prosperous.

Mr. Chairman, that the stockjobber has been prosperous is to the everlasting disgrace of the party in power [applause on the Democratic side], and as to the "heights of political economy," to which the gentleman referred, I can only imagine that he had reference to such conduct as that practiced by Mr. Cortelyou when as chairman of the National Republican committee he gathered in the thousands of dollars from the great insurance companies and trusts of the country as a campaign fund with which to carry the election of 1904. [Applause on the Democratic side.] Or he may have referred to that same gentleman's conduct in refusing to return to its rightful owners any of this ill-gotten money. This same Republican party, which has been so eloquently eulogized by my friend from Michigan, is still in power, but let us see if this prosperity "abideth with us still." Let me read:

HUNGRY CHILDREN IN RIOT SMASH PLATE-GLASS WINDOWS OF RESTAURANT TO GET DINNERS.

[Special to Washington Post.]

NEW YORK, February 18.

Fifteen hundred hungry school children, attracted by the prospect of a free hot dinner, were in a riot to-day in front of a restaurant at 272 Grand street, and before the police could restore order by assuring the little ones that all would be fed the plate-glass window was pushed in.

BREAD RIOT IN BUFFALO—GENEROUS GROCER DID NOT HAND OUT LOAVES FAST ENOUGH.

BUFFALO, N. Y., February 1.

The police force at West Seneca has been trebled to cope with the possibilities of an outbreak of lawlessness among the hundred idle and hungry foreigners formerly employed in the steel mills. A bread riot occurred last night.

[From Springfield (Mo.) Republican.]

LARGE NUMBER FED.

Calls for aid at soup houses are increasing every day. More than three hundred people were fed yesterday at the soup house being conducted by charitable organizations of the city. Though the place was open to the public only last Saturday, hundreds have applied for something to eat.

ROAD EMPLOYEES LEFT OUT—1,000 WERE AFFECTED BY RETRENCHMENT OF LAKE SHORE RAILROAD.

ELKHART, IND., January 29.

The Lake Shore Railway's big locomotive and allied shops, which had already been reduced to a four-day work, were put on a two-day work to-day. One thousand men are affected.

Many more such conditions could be portrayed, but I think it will be sufficient for me to read only one or two more. I here have a statement by Ex-Secretary of the Treasury Lyman P. Gage, a prominent Republican, recently made before the Committee on Banking and Currency in this House. He says:

In 1907 we were on the deep waters of prosperity, when everything ought to have floated serenely, but we bumped hard. We stove open the bottom of the ship. We met with first-class disaster.

Now, just one other little extract from a speech recently made by the Hon. Leslie M. Shaw, another late Republican Secretary of the Treasury and at present an aspiring candidate for the Republican nomination for President:

Over 300,000 freight cars standing empty on the tracks, 30,000 locomotives white leaded and out of commission, one-fourth of the population of several large cities idle, and for the first time under Republican Administration free soup houses in every industrial center; the price of farm produce naturally and materially depreciated, furnish an object lesson which ought to produce a measure of sober-mindedness on the part of the American people.

My friends, it would have saved you much humiliation if you had taken heed to the injunction contained in verse 12 chapter 10, First Corinthians, "Therefore let him that thinketh he standeth take heed lest he fall." [Applause on Democratic side.]

Mr. Chairman, I am by no means gloating over the adversity which has come upon the Republican party or the calamity which has befallen the country by reason of your mismanagement. God forbid! But I only want to remind you who have regaled us so often over the panic of 1893, which you unjustly charge to us, that the chickens have simply come home to roost. [Applause on the Democratic side.]

You are in a position to do much to correct this lamentable condition if you will. The President has earnestly recommended many remedial measures and asked you to take action. You have a majority of more than fifty in this House and an overwhelming majority in the Senate, and I am certain that I can assure you, if you will bring in any reasonable measure to relieve this distressed condition that there will not only be no opposition on this side of the Chamber, but we will vote for the measure as we did for the rate bill, and you will find us ready to help you to pass any of the kind of measures which will relieve the condition existing in the country to-day.

Why do you not bring in a bill here to provide for the guaranty of bank deposits, and in States where they have not already provided for the guaranty of these deposits let the State banks, if they desire to do so, come in under Federal supervision and be guaranteed the same as national banks, placing them on an equal footing with national banks, so that there can be no advantages had, and then, under the provisions of many bills pending in this House, this guaranty could be made on the part of the Government and yet it not stand to lose a cent, but when depositors all over the country place their money in the banks they will have the assurance that they can get it out again and not be compelled to take clearing-house certificates, or perhaps nothing at all? [Applause on Democratic side.] Do this and money will come out of hiding and confidence will be restored, soup houses will be closed, factories may be opened, and the country experience another degree of prosperity.

The President asks you to pass an employers' liability law. We ask you to do it. You claim to be the friends of the laboring men—that is, you make that claim during every campaign—and now you could pass that law unanimously if you can get the men upon your side of the Chamber to vote for it.

Why do you not pass a law limiting Federal courts in the granting of injunctions and providing for trials by jury in contempt cases?

You boast that the Treasury vaults to-day are bursting with money. If so, why do you not pass a law appropriating some of this money to aid the farmers in the building of good roads, the improvement of our inland waterways, and the erection of public buildings, and making other internal improvements, and thereby give idle men employment?

If you are not bound hand and foot to Wall street and allied interests, why do you not pass a law providing for the publication of campaign contributions so as to prohibit the raising of large campaign funds with which to debauch the voters of the country?

I introduced a bill here to amend section 2 of the act of June 27, 1890, in relation to pensions, which provides that every

man serving in a State militia organization for ninety days or more under the command of a regular commissioned officer of the United States Army, may be placed upon the same footing with the man who happened to be formally mustered into the service. Now, if it is right to grant pensions at all, undoubtedly this is a just measure. These men served right alongside of those who were formally mustered into the service, were exposed to as much danger, many of them served not only ninety days, but two or three years, they are now old and broken down in health, and yet you turn them out to die unpensioned, "unwept and unsung." Why do you not pass that bill? You could pass it to-day if you desired to do so.

I also introduced a bill to emancipate the postal employees of this Government. As it is now the Post-Office Department presumes to prescribe to the rural carriers, I understand, what manner of dress they shall wear when on duty, and under the rulings of this same Department a postal employee, when in the august presence of a Member of Congress or other Government official, must stand dumb; "as a sheep before her shearer," he "openeth not his mouth." No matter if he feels that he is being treated unfairly he must not mention his grievance to his Congressman, and if he should be bold enough to do so it will be at the risk of his position. In other words, when he enters the postal service under this free Government he leaves behind much of his American citizenship. Mr. Chairman, at the rate that the Post-Office Department has been regulating, it will not be long until it will be prescribing what the employees shall eat, when they shall retire at night, when they shall rise in the morning, and so forth.

To all of this "pollycoddle" I am opposed. Let us return to this army of loyal workers their full rights as American citizens.

Why will you not pass this bill?

There are many other good measures which you could pass between this and the latter part of next week, and we stand ready to help you. Why do you not do it? You have the power, and yours is the responsibility.

Is your refusal to pass these bills due to the fact that your party is owned body and soul by predatory wealth? Are you afraid to legislate in the interests of the people for fear you will antagonize some special interest? That you will not pass these bills which I have mentioned I am absolutely certain. Your policy is to do as near nothing as possible, adjourn and go home, and then tell the people how you have agonized for them, and how hard you will work if they will only send you back. [Applause on Democratic side.]

Mr. BURKE. Will the gentleman yield?

Mr. HAMLIN. Yes, with pleasure.

Mr. BURKE. The gentleman indicates, among other bills that ought to be passed, one providing for the publication of campaign contributions. I take it from the character of the gentleman's remarks that he is a lawyer, and I want some information. I would like to have the gentleman indicate just what kind of a bill this House or the Congress of the United States could pass that would be effective.

Mr. HAMLIN. There are two or three bills pending before the Committee on the Election of President and Vice-President to which I most cordially refer the gentleman, and I think that he could get the information that he desires by reading those bills. My time will not permit me to go into a detailed discussion of how a bill should be drawn or exactly how it should be worded in order to bring about that result.

Mr. BURKE. Will the gentleman permit this question?

Mr. HAMLIN. Yes.

Mr. BURKE. In view of the fact that he himself has indicated inability during the time allotted to him to outline a particular measure, and in view of the fact that Col. William J. Bryan, when before that committee, was also unable to outline an effective measure, by what right does the Democratic party saddle upon the majority of this House the burden of passing a measure which they themselves are unable to outline?

Mr. HAMLIN. I can only answer the gentleman in this way—

Mr. RUCKER. I will say to the gentleman from Pennsylvania that in a few days we will present a bill to you that will accomplish what is desired if you will help us pass it. There will be no question about it.

Mr. HAMLIN. I was going on to say that the gentleman's antipathy to the gentleman from Nebraska, Mr. William J. Bryan, is such that he doubtless would not be expected to understand him. I read the hearings before that committee, and it seems to me that the plan outlined by Mr. Bryan is so clear and so plain that it would be next to impossible for a man to misunderstand him.

I presume you are proceeding upon the theory that no difference what you do or fail to do here, on election day the rank and file of the Republicans will walk up to the polls and vote the ticket, but in this I believe you will be badly mistaken; that day has passed.

I stated a while ago that your evident policy is to do nothing. That this is true lies in the fact that this Congress met on the 2d day of December and adjourned for the holidays on the 21st, covering a period of eighteen working days, and out of the eighteen days you were actually in session just eleven hours and eight minutes, and nearly one-half of that time was taken up in organizing the House on the first day.

Your conduct on that day reminded me of the New Testament story of Peter and some of the other apostles. When adversity had come upon them in Jerusalem and their Master had been cruelly slain, and they were discouraged, disheartened, and despondent, Peter said: "I go a fishing," and John, James, Andrew, and Nathaniel said: "We go with thee." They thereupon deserted their post, turned their backs upon their plain duty, and hurried back to the Sea of Galilee to resume their old trade of fishing. I have thought how like this reprehensible conduct was that displayed by you when we met on December 2, and this country in the throes of a terrific panic. [Laughter and applause on the Democratic side.]

You were in session only long enough to organize the House by electing its officers and then to transfer to the Speaker all the power possessed by the combined membership of the House, and then Uncle Joe said, "I go fishing," and straightway the gentleman from New York [Mr. PAYNE], and the gentleman from Pennsylvania [Mr. DALZELL], and the gentleman from New York [Mr. SHERMAN], and the gentleman from Minnesota [Mr. TAWNEY] said, "We go with you," and your manner of going was about this: [Renewed laughter.]

"Uncle Joe" got up, sniffed the fresh air, girded his "fisher's coat" about him, and started for the Mall; closely following him, with much effort to keep the pace, was the distinguished chairman of the Ways and Means Committee [Mr. PAYNE], and following on his heels was the alert and active gentleman from Pennsylvania [Mr. DALZELL], armed with a convenient report from the Committee on Rules, with which he had often before caught "suckers." [Laughter and applause on Democratic side.] Hard by in his wake was the bland and genial gentleman from New York [Mr. SHERMAN], chairman of the Committee on Indian Affairs, expressing envy for his wards, who had been free to roam the forest and ply the streams in quest of game, and closely following him was the ever pleasant and always courteous gentleman from Minnesota, the chairman of the great Appropriation Committee, with head bowed and brow knitted trying to figure out some explanation to the people of this country as to how it happened that under ten years of absolute, undisturbed Republican rule we are now facing a hundred-million-dollar deficit, and then followed the main procession of other Members on that side of the House in perfect order, so complete is the discipline over them, and we on this side were compelled to await in amazement your return before any legislation demanded by conditions existing in this country could be taken up and considered. [Renewed laughter and applause on Democratic side.]

Mr. Chairman, have I drawn the picture too strongly? No. As I said before, of the eighteen working days in the month of December last, you permitted this House to be in session actually, as shown by the official records, just eleven hours and eight minutes, and this country in the throes of a fearful panic, banks closed, factories closed down, soup houses being opened, thousands of honest men with families to support being thrown out of employment, and yet you were deaf to their entreaties. Yours is the responsibility. How well you are meeting it!

The gentleman from New York, chairman of the Ways and Means Committee, said in a speech delivered here recently that he had no doubt that the Republican platform adopted at Chicago this summer would declare in favor of revising the tariff, and the gentleman from Pennsylvania [Mr. DALZELL] more recently gave voice to the same fact, but what did they mean, or is that the usual ante-election statement? True, the gentleman from New York made this declaration in stentorian tones, but I was reminded of the little doggerel I read some time ago: His voice was the voice of thunder, and his words were words of reproof, And perhaps he really wondered why we did not stand aloof. He thought he was being haughty and severe (and he did try), But we knew he was only bluffing by the twinkle in his eye.

[Great laughter.]

Mr. Chairman, under your administration of affairs for the last ten years there has grown up in this country a system of corruption which appalls the world, and the correctness of this statement seems to have been vouched for by the gentleman

from Pennsylvania [Mr. DALZELL] in a speech he delivered in this House the other day, in which he said:

We had the lights turned on the methods of high finance, we had the lights turned on the speculations by the copper syndicate and other syndicates and the immense amount of water in capital stock, and the very moment that these things came into public view the breath of suspicion became manifest and the crisis came.

In other words, Mr. Chairman, the very moment that the light was turned on the corruption which has grown up under this Republican Administration the people were appalled and the panic came. And let it never be forgotten that you have only turned the light on a very small spot. If you would only take the lid off and turn the light on in all its effulgency, so that the people might know the real condition which has grown up under ten years of Republican rule in this country, they would with whip in hand rise up next November election day and drive you from this temple. [Loud applause on the Democratic side.]

It has become a stench in the nostrils of every honest man. It has forced your President to thunder against it as no President has denounced it since Andrew Jackson's time, and yet you are inactive. While predatory wealth was fastening its clutches upon the people, you sat supinely by and called it prosperity, and now that the result of your own neglect and mismanagement comes upon you to plague you, you stand appalled at the result of your own management and refuse to take up the gauge of battle and do service for the people, yet you expect to go out this fall and tell the "dear people" how anxious you are to help them.

Do you think they will believe you for a moment? I tell you they will be by you like the fisherman said of himself, sitting on the bank of the stream under the bridge, when he was accosted by a stranger standing on the bridge with the question: "Are you catching any fish?" "Well, I guess, yes; I caught forty big, fine bass out of this hole yesterday." "Do you know, sir, who I am?" said the man on the bridge. "No; who are you?" "I am the game and fish warden of this district, and by your own confession you have been violating the law." "Well," said the fisherman, "do you know who I am?" "No; who are you?" "I am president of the Roosevelt Ananias Club. I never told the truth in my life. No one ever believes a word I say." [Laughter.] Now, Mr. Chairman, you have the opportunity to help the people. If you fail to do it, no one will again believe a word you say.

I am telling you some cold facts, and the rank and file of the people of this country will indorse what I say, that yours is the responsibility and you will be held to account if you do not meet the demands placed upon you. I know you have already begun to speak of the late panic as if it were over, when the truth is thousands of men are now each day being thrown out of employment and others having their wages reduced, and the prices of the farmers' products all rapidly declining.

I have a statement here which was furnished me by a man in a position to know whereof he speaks, and he says, figuring on a basis of wages earned by 268,000 employees on forty-nine railroads west of the Mississippi in 1906, the decrease in wages to employees this year by reason of the panic in laying off men and reduction of hours worked, placed at only 8 per cent, which is a conservative estimate, makes the appalling decrease in wages paid to these employees run up into the millions of dollars per year. Stupendous, and yet, again, see what Mr. Mellin, president of the New Haven Railroad, said:

But the panic has affected business so seriously that we have found it necessary to reduce the service on our system, and since December 15 last 8,000 men have been dismissed and more are being discharged all the time for the same reason.

Now, in that same connection I have another clipping which I will read:

RAILROADS LAY OFF HALF MILLION MEN—AS MANY AS 150,000 OUT OF WORK IN SOUTHERN AND WESTERN STATES.

Officials of the Southwestern and Western railroads say that it would be almost impossible to estimate the number of employees they have laid off in the past sixty days. The forces of the mechanical, accounting, engineering, and clerical departments have been reduced an average of one-third, and it is expected that additional reductions will be made in the next month or so.

The railroads of the United States employ 1,600,000 men, and, according to reports, about 500,000 have been laid off in all branches of the service.

About 150,000 men have been laid off in thirteen Southern and Western States, as follows: Missouri, 15,000; Illinois, 25,000; Kansas, 15,000; Nebraska, 11,000; Arkansas, 5,000; Louisiana, 6,000; Texas, 25,000; Oklahoma, 5,000; Kentucky, 5,500; Tennessee, 7,000; Mississippi, 7,000; Georgia, 13,000; and Alabama, 9,000.

The Missouri Pacific and Iron Mountain System yesterday closed its shops indefinitely. At St. Louis 400 men were left without work; at Sedalia, Mo., 600; at Baring Cross, Ark., 1,200; at De Soto, Mo., 500; at Osawatimie, Kans., 300; at Atchison, Kans., 200, and Fort Scott, Kans., 300.

And yet it was announced, I understand, on the floor of this House, about a week ago, by the gentleman from Indiana

[Mr. CHANEY], that the panic actually ended about the 1st day of February last, he presuming to give the exact time, saying that it lasted just three months and one day. I think he would have some difficulty in making these million men who are out of employment to-day believe that he was correct in his statement. At least I have not heard of any bonfires being built by these laboring men to ratify the ending of this terrible industrial panic. It may be that these poor fellows have not heard that the panic is over. [Laughter and applause on the Democratic side.]

Now, Mr. Chairman, I hold a letter in my hand which I shall ask the Clerk to read. It was written to me by a gentleman from my home city, a man I know well, and I know him to be reliable and one of the best men in my city. He is a locomotive engineer, belonging to what I regard as the bravest class of men on earth to-day, men who through either storm or shine, light or darkness, respond to the call of duty, and, standing with hand on throttle and brake, plunge through light or darkness with never a thought of their own safety or welfare, but whose only consideration is for the safety of the human lives on board the train they are pulling. These men not only deserve consideration at our hands, but the eternal and everlasting gratitude of the traveling public. Let us hear what one of these men has to say.

The Clerk read as follows:

INTERNATIONAL BROTHERHOOD OF LOCOMOTIVE ENGINEERS,
Springfield, Mo., February 1, 1908.

Hon. C. W. HAMLIN,
House of Representatives, Washington, D. C.:

DEAR SIR: I am requested by your friends, the railroad men of Springfield, Mo., to write you relative to conditions on the Frisco railroad—due to the panic—in hopes that you may introduce or assist in bringing some measure before the present Congress that will relieve conditions and give the wage-earner an opportunity to work so as to earn a living for himself and loved ones dependent on him for support. The Frisco shops only work eight hours per day, four days a week, at present, and were closed twelve working days in January. To-day one-third of the employees of the shops were let out indefinitely; while on the road freight business has fallen off so crews are only making one-half time. This is true of the entire system, and starvation is staring your friends, the railroad men, in the face. The company, owing to short working hours in shops and reduction of number of employees, is unable to keep engines in repair, the result being that when freight is offered for shipment the company is unable to handle it for lack of power. I learn, through our brotherhood, the same conditions prevail on all railroads, and good men are tramping over the country hunting for employment and not able to find any. Is there not some way for Congress to relieve this condition, or is it possible that the monied power is supreme—that the inclosed clipping from the St. Louis Post-Dispatch about J. P. Morgan is true? Must the wage-earner come to starvation in order that dividends can be paid on watered stock and the gamblers and stock speculators grow rich? We, your friends, appeal to you, believing that in this, our hour of need, you can help us out. Awaiting your reply, and trusting that Congress will better conditions,

I remain, yours, respectfully,
M. J. MURPHY,
Chairman Ozark Division 83,
Brotherhood of Locomotive Engineers,
839 North Main street, Springfield, Mo.

Mr. WILLETT. Will the gentleman yield?

Mr. HAMLIN. Yes; I will yield to the gentleman from New York.

Mr. WILLETT. I hold in my hand a letter which I received this morning from the New York Independent Council of World Workers. This council has been making an investigation in New York City of the unemployed, and it has just made a report to me which shows the actual labor conditions in New York City to-day. The report is as follows:

NEW YORK, March 13, 1908.

Hon. WM. WILLETT, Jr.,
Member of Congress, Washington, D. C.:

Replying to your request of March 6, 1908, for the New York Independent Council, Independent World Workers, would state that, for your information, I can give you the following few figures that might be of some avail to you in refuting the argument of Congressman BENNET.

The following lists are the result of exhaustive search on the part of men familiar with the method of gathering facts of this character:

ORGANIZED MEN UNEMPLOYED.	
	Number.
Building trades (32 represented).....	70,000
Clothing and garment workers of all grades.....	20,000
Tobacco workers, all grades.....	18,000
Printing and allied trades, engraving, lithographing stereotyping.....	11,000
Longshoremen.....	8,000
Machinists, molders, etc.....	5,000
Railroad men, various branches.....	4,000
Furniture and piano workers.....	4,000
Boot and shoe workers, all branches.....	3,000
Teamsters and clerks.....	2,000
River and harbor employees.....	2,000
Diamond workers.....	500
Total.....	147,500

I do not include in this list hotel and restaurant workers, as they are but poorly organized, and, on the next page, I give you the unorganized unemployed.

	Number.
Department store employees (warehouseman, factory, laboratory clerks, drivers and other help).....	70,000
Hotel and restaurant workers (all branches).....	30,000
Office employees (various occupations).....	25,000
Mechanics (almost all trades included).....	110,000
City employees.....	10,000
Unorganized railroad workers.....	8,000
Transportation workers of all grades (clerks, etc.).....	38,000
Ungraded laborers of all sorts, about.....	65,000
Unorganized total.....	356,000
Organized.....	147,500
Grand total.....	503,500

This enormous number exceeds by almost 400,000 the number usually unemployed in and about New York. It may also be taken into consideration that at this time of the year there is a great falling off of the number, but the number this year is steadily increasing. Wages of the employed are going down as a result of this great horde of unemployed, forced into competition for employment.

Should you wish more complete details and the sources from which they come, let me know.

Respectfully, yours,

SAMUEL A. STODEL,
Fin. Sec'y N. Y. Ind. Council, I. W. W.

Mr. HAMLIN. Mr. Chairman, I thank the gentleman for giving us the benefit of that statement. It occurred to me while he was reading it and showing that there are over one-half million unemployed men in the city of New York alone, that in reply to the statement made by the gentleman from Ohio [Mr. BANNON], who spoke only a moment ago, when he asked the question what would become of the Democratic party if the darkies in this country were all entitled to vote, that I might ask him what will become of the Republican party when this army of 500,000 men refuse to vote the Republican ticket at the next election. [Laughter and applause on the Democratic side.]

Mr. Chairman, these appeals touch my heart. You have the votes and we on this side will help you pass any measure to relieve these distressed conditions. Will you do it? I know that when we on this side dare to raise our voices in behalf of the laboring men we subject ourselves to be denounced as demagogues. A few weeks ago my colleague [Mr. SMITH] dared to offer an amendment to the penal code in behalf of the laboring men, and the leader of the majority [Mr. PAYNE] took occasion to denounce his conduct as demagogic.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. BOWERS. I will yield 10 minutes more to the gentleman.

Mr. HAMLIN. I deny the right of any man to denounce as demagogical the action of any Member to advocate what he believes to be right on the floor of this House. But I say to the gentlemen on that side, if to plead the cause of the farmers and laboring men on this floor is demagogic, then, thank God, such demagogery is as an angel robed in white when compared to that somber bird of hypocrisy which perches upon the Republican banner, as evidenced by your conduct here and upon the hustings. [Applause on the Democratic side.]

I believe it is not only the province of Members on this floor but of every sovereign citizen to criticize that which he believes to be wrong without having his motives impugned. A few years ago, because some people were bold enough to criticize the action of the courts, they were denounced as "dangerous and undesirable citizens," and yet in the last few months we find your President doing the same thing.

I yield to no man in my respect for the judiciary or the Constitution. In our courts I recognize our ultimate safety, but, unfortunately, it is too often the case in these latter years that men have been selected for judicial positions, not because of their extreme learning and preeminent traits of mind, but for their ability theretofore to manipulate political conventions, or, perchance, to have performed some especially shrewd work for the successful candidate on the winning ticket.

In other words, there are on the Federal bench throughout the land to-day many men who were placed there entirely through political "pulls," without regard to their fitness for the position they are to occupy, and after they were securely ensconced in their positions they seemed to think they must do the bidding of the influence which put them there. In other words, instead of becoming a part of the bulwark of our liberties under the Constitution they become the judicial bulwark of the party which put them in power. In many instances I believe the Federal courts of this country have gradually exceeded their authority under the law until I regard their conduct, especially in the indiscriminate use of the injunctive process, as a positive menace to the liberties of our people. I regard the attempt of a Federal district judge to set at naught, at his own sweet will, the action of the people of a sovereign State as extremely portentous and alarming. This Government was created by the States, the Federal courts are crea-

tions of the Federal Government, and undoubtedly the creature of the creature can not be greater than the creator. I believe when a State enacts a law for the regulation of its internal affairs any party aggrieved should have recourse to the courts of his State, and if not sustained there he may then appeal, if he desires to do so, to the court of last resort in the nation; but I do not believe that it is the province of any little Federal judge, whose qualifications as a lawyer are not sufficient, perhaps, to permit him to practice successfully in the inferior courts of his county, to ipso facto declare the State enactments unconstitutional, and therefore enjoin a sovereign State from enforcing its own laws. [Applause on the Democratic side.]

Mr. Chairman, there is much in the President's late message which I indorse, but I candidly believe if the occupant of the White House would quit fighting so many pen battles, and put the machinery of the Department of Justice in motion and invoke the criminal laws now on the statute books and put some of these fellows whom he has denounced so vigorously behind the bars, the country would the sooner recover its equilibrium and corruption would be wiped out. In other words, if we had a little more action and less talk on the part of the White House the country would be very much better off. [Applause on the Democratic side.]

I regard it as a shame that the business of this country is to be neglected simply because there is a national campaign impending. The public business is to be sidetracked because your time is consumed in trying to agree on a candidate for President on the Republican ticket. The gentleman from Ohio [Mr. BANNON] a while ago said it was not his privilege to name that candidate. I think in that statement he was absolutely correct. Neither do I believe it is in the province of any Republican in this House to name that candidate, because the President will attend to that part of it himself. [Laughter and applause on the Democratic side.] If you fellows will be real good, and behave yourselves and pass some of the legislation which he wants you to pass, he might let you have a small voice in naming the candidate for Vice-President, but not beyond that. [Renewed laughter.]

But I think, Mr. Chairman, it makes little difference whether you name the White House choice, or whether you name the circumstantial governor of New York and consequential candidate for President, or the Speaker of this House, or the presiding officer of the Senate—neither can by any possibility be elected in November. Your party has been weighed in the balance and found wanting. The people will on March 4, 1909, come into their own. [Applause on the Democratic side.]

We on this side are ready to go on with the work before Congress. Our candidate has already been named in the hearts of the American people, and it only awaits the meeting of the convention at Denver in July to publish to the world the name of the next President of these United States. [Applause on the Democratic side.]

With Bryan in the White House and CHAMP CLARK in the Speaker's chair [applause on the Democratic side], the people will not have to plead in vain for legislation in their behalf. Their demands will be heeded; they will not only have a friend at court, but they will have a friend in the court. [Prolonged applause on the Democratic side.]

Mr. BOWERS. Mr. Chairman, I yield to the gentleman from New York [Mr. SULZER] such time as he may desire.

Mr. SULZER. Mr. Chairman, for six months and more the entire industrial system of our country has been shaken and disturbed by the storm and stress of a great financial panic; values are unsettled, business is paralyzed, confidence is destroyed, industry is dormant, work is scarce, millions of honest toilers are out of employment, and their families suffering for the very necessities of life. The cause to a great extent, we are told, is our deplorable banking and currency laws. It seems clear to me that at such a time the Congress should exercise extreme care in legislating to correct the evils in order to restore confidence. We should construct and enact legislation with a view to permanently eliminate the admitted mistakes, and at the same time make sure to protect the rights of the people. No slipshod emergency legislation will cure the glaring evils of existing banking and currency laws. Conditions will not improve until our financial policy is changed. Whatever is done in the matter now should be done carefully, deliberately, conservatively, and constructively with a view to permanency. Our banking and currency laws are inadequate, obsolete, and a disgrace to the nation—a veritable crazy quilt of patchwork—but nothing is offered by the Republicans as a safe and lasting remedy to take their place.

We have been in session since the 2d day of last December; we shall adjourn ere the 1st of June; yet nothing has been done, and it seems doubtful if anything of lasting benefit will be done. The Republicans are in control of both branches of Con-

gress; this panic is their panic; they are charged with the responsibility of constructing and passing legislation to remedy existing evils, and if they fail to meet the requirements of the hour they must be held accountable by the people. The so-called "Aldrich emergency currency bill," to allow a few favored national banks to issue \$500,000,000 more bank notes, will not remedy the evil, but only accentuate it. The so-called "Aldrich bill" is another little patch on the banking crazy-quilt. It is not merely a makeshift, it is a miserable mistake, and in the end will do more harm than good. Its passage would indefinitely postpone further serious consideration of currency reform. The so-called "Fowler bill," for an asset currency, will not cure the evils. It is so complicated that no one seems to know exactly what it seeks to accomplish, but those who have studied it seem to agree that it would make matters worse instead of better, and ultimately bring about the greatest financial disaster the world has ever known.

The present display of fumbling and ignorance and incompetence on the part of the Republican leaders of Congress in regard to banking and currency reform is a lamentable commentary on their boast of constructive ability and capacity to inaugurate safe and permanent legislation. Suppose the Democrats had put forth a scheme for currency relief which the best banking opinion condemned and declared to be of doubtful legality, would not the Republican orators and newspapers, from one end of the country to the other, ring with denunciations of Democratic incapacity? While the people are starving, however, it is no time for political recrimination, and the thing for us to do now is to get together and prepare a bill for true currency reform of a permanent character and enact it into law. A great financial depression has overtaken us in the halcyon days of the Republican Administration, and we should initiate and pass legislation that will restore business confidence, go far to prevent a recurrence of the disaster, and place our banking and currency systems on a permanent basis.

Mr. Chairman, in my opinion, banking and currency reform are now the most important questions of the hour. We should adopt a governmental currency system that will work automatically and expand and contract with the demands of the country. Congress should act in this matter before we adjourn and place our banking and currency systems on a stable, businesslike, and permanent basis that will prevent in the future monetary panics and financial stringency. Every intelligent man who has studied the subject knows that we have the worst currency and banking laws of any civilized country in the world. Our banking laws are jug handled—against the people and for the national banks. Our currency laws are obsolete and inadequate—the merest kind of patchwork, a regular crazy quilt, a disgrace to our business intelligence, and an indictment against our legislative acumen and political sagacity. They must be changed and reformed along intelligent lines, in the interest of all the people, and based on the well-established principles of the currency and banking laws of all the other great powers, where runs on banks are practically unknown, hoarding of money unprofitable, financial stringency infrequent, and money panics of rare occurrence.

We are, sir, and ought to be, all things considered, the richest and most prosperous nation on earth. During the past summer I traveled over much of the domain of the United States—in the corn lands of the Mississippi, in the mineral lands of the intermountain States, and along the Pacific coast—and I never saw such abundant crops, such wonderful mineral resources, and such overwhelming natural wealth in all my life. It was a revelation to me, as it must be to all other travelers; and if the Congress would enact just laws for all the people, panics would be infrequent, poverty would be scarce, and we would be the happiest and the richest and the most contented people on earth.

Mr. Chairman, the Constitution declares that the right to coin and issue money is a governmental function, and, in my judgment, it should not be delegated to any bank. The national banks should go out of the Government business of issuing money, and the Government should do its own financial business and coin and issue all the people's money like other great countries. The right to coin and issue money is one of the highest attributes of national sovereignty. The Constitution so declares, and I reiterate that the Government should coin and issue all the money, and every dollar should be legal-tender money and worth 100 cents on the dollar here and everywhere. There should be no serious difficulty in framing a bill to meet these requirements to place our banking and currency systems on a stable, conservative, and permanent basis. It is of the highest importance to all the people. There should be no politics in the matter. It is a nonpartisan subject, but the Republicans in Congress apparently can offer no satisfactory remedy for the present evils. They do not respond to the

demands of the people and meet the question in a broad and statesmanlike manner. For months they have wrangled over the subject while business languished, banks failed, industry halted, mills closed, and men and women and children starved.

Now, sir, I desire to emphasize the importance of the Republican leaders in Congress immediately taking statesmanlike action in this matter and bring in a bill that will be permanent as a remedy and along constitutional lines. The people want a more elastic currency, at all times responsive to immediate needs, and that will keep pace with the business and the growth of population of the country, meet every crisis, and when the crisis is passed the money should go back to the Government and be canceled, so that at the end of the fiscal year there will be no inflation, but the volume of the currency in circulation, subject to normal conditions, will be about the same, keeping pace, however, with the growth of population and the legitimate needs of our industrial people. In order to accomplish this there should be established, as a part of the Treasury Department, a central bank under the control and supervision of the Government through which all money shall be issued and in which all Government money shall be deposited, and all money issued by the Government through the central bank should be legal-tender money, whether gold, silver, or currency. The law establishing this central bank should provide that the Government shall have the right to issue gold, silver, and currency on time loans to the banks or to the people of the country on depositing with the central bank State or Government bonds to their face value and such other collateral as its officers may deem, in their discretion, ample, such as gilt-edge county and municipal bonds that have not defaulted in the payment of interest in ten years, for such amount of their face value as the central bank, in the discretion of its officers, shall deem safe and ample. All national-bank currency should be called in and canceled as speedily as possible and Government money put in its place. This would gradually retire the national bonds and in a few years wipe out the public debt. The basis of a national-bank currency is a national debt.

If the national-bank currency were called in and canceled by the Government and Government money put in its place, the national debt would soon disappear and the interest on it that the people now pay no longer be a burden to the taxpayers. A law along these lines will meet the demands of the people for a Government central bank and a more elastic currency, and all the money would be Government money—legal-tender money—and sufficient for the business needs of the people at all times. Money panics would no longer be profitable to the few; financial stringency at no time could long exist; the Government could promptly meet every monetary crisis, and the people would always have sufficient constitutional legal-tender money for all legitimate business purposes. In times of emergency the central bank would loan money to the banks and the people of the country on such securities as I have suggested, consisting of Government bonds, State bonds, first-class, gilt-edged county bonds, and municipal bonds of cities having a population of 100,000 or over which have never defaulted in the payment of interest. This class of security, in the nature of collateral for time loans for legitimate purposes, would seem to be safe and ample, but of course it would be at all times discretionary with the officers of the central bank just how much money, if any, to loan on the face or the market value of these hypothecated securities.

All the national banks of the country having business with the Government central bank should be subject to the control and supervision of the central Government bank, and in case a run were made on one bank all the other banks and the central bank should come to its rescue and prevent it from going into the hands of a receiver and the depositors from losing their money.

If a law of this kind were on the statute books, there would be an elastic legal-tender currency in the country to move the crops, meet every monetary crisis, and make it almost impossible for a financial panic, by hoarding money, to occur again. The remedy and the power would be in the control of the Government, and that is where it should be lodged. For instance, if a bank in New Orleans, or a bank in St. Louis, or Chicago, or San Francisco needed money to aid its depositors in marketing the crops, that bank would make application to the Government central bank for a loan for a definite time for the amount it needed, and give ample and safe security, as outlined, for the amount borrowed, and the central bank would then issue to the borrowing bank the money it needed for, say, one, two, or three months, or for such a time as the bank required it, at 2 per cent interest, with the understanding that the borrowing bank should not charge more than 6 per cent interest to those to whom it loaned the money; and, when the emergency was

over or the time matured, the securities would be taken up by the borrowing bank and the money loaned returned to the Government central bank and destroyed. If, however, the bank borrowing the money should fail to return the money and take up its collateral within the time stipulated, then the law should provide that the central bank shall have the right to increase the rate of interest so high that it can compel the return of the money loaned. By this means there would be at all times sufficient money in the country to transact the business of the people, keep pace with increasing population, and, at the same time, the Government would be receiving 2 per cent or more interest on its loans, and the national banks could not charge their customers more than 6 per cent interest. The central bank of the Government would make money for all the people, and the other banks would make sufficient to pay their stockholders reasonable dividends, and the farmers, merchants, miners, and business people of the country would be able to get the money they needed at all times for legitimate purposes at reasonable rates of interest. I believe this plan is feasible and practicable and honest and for the best interests of all the people. I know it has the approval of many of our leading economists and thinkers and disinterested financiers.

Mr. Chairman, our country is rich beyond the dreams of the most imaginative. We have ninety millions of population and one hundred and fifty billions of wealth, but we have the worst banking and currency laws ever devised by the human mind. Just think of it! To-day there are more than \$200,000,000 of the people's money deposited by the Government in the national banks of the country and not drawing one dollar's interest, and these banks are loaning that money out to the people at from 6 to 20 per cent interest, and now these national banks have the audacity to demand that the Government give them the right to issue \$500,000,000 more of national-bank notes. It is all wrong, and Congress must remedy the evil, and should do it before we adjourn. The prophecy of John C. Calhoun seems to have been fulfilled. Years ago he said:

A power has arisen in the Government greater than the people themselves, consisting of many and various and powerful interests combined into one mass and held together by the cohesive power of the vast surplus in the banks.

This mighty combination will be opposed to any change, and it is to be feared that, such is its influence, no measure to which it is opposed can become a law. The time indeed seems fast approaching when no law can pass nor an honor be conferred from the Chief Magistrate—the President—to the humblest worker without the assent of this powerful and interested combination, which is steadily becoming the Government itself to the utter subversion of the authority of the people.

Mr. Chairman, I am now, and always have been, opposed to the Government delegating away its constitutional powers to the national banks. In my judgment they already possess entirely too much power. They are doing precisely to-day, only to a greater extent, what the United States Bank did in the days of Andrew Jackson. The right to coin and issue money is one of the greatest prerogatives of the Republic. It should not be delegated to any national bank or to any monopoly. We should resist the encroachments to-day of national banks on the liberties of the people with the same zeal and the same courage that Jackson resisted the audacious claims of the United States Bank in his day. In Jackson's day there was only one Nick Biddle. To-day there is a Nick Biddle in almost every national bank in the land.

Now, sir, the Republican fallacy that we could not have a panic while the country was under a high protective tariff, a gold standard, and a Republican Administration has been exploded. The people are now looking to the Democratic party to protect them from the selfishness of predatory wealth. The people want monopolies in restraint of trade abolished. They are tired of paying more at home for American-made goods than foreigners abroad pay for the same goods. They want legislation that will prevent future panics by the establishment of a Government central bank of issue, and in which to deposit Government funds, in place of the Republican plan of permitting the national banks to issue more promises to pay money under the name of "asset currency." As Mr. Jacob Schiff, one of the world's great bankers, recently said in an able address before the New York Chamber of Commerce:

I do not wish to pose as a Cassandra, but if our currency conditions are not changed you will have, sooner or later, such a panic that will make all previous panics look like child's play. I do not mean to say that such a panic is imminent, but it will come ultimately unless our inelastic currency is reformed.

Mr. Chairman, a central bank of the United States, such as stands to-day in every other important financial and commercial nation of the world, affords the only sure method by which the surplus funds of the Government can be kept at all times for the use of the people, from whom they have been taken by taxation; while of more far-reaching importance still is the function of

such an institution in serving as a bulwark of public confidence, and through the utilization of its power to control, or to largely control, money rates, abate to a large extent the pace of public speculation. Under our present banking system a few national banks, owned by a few men of great wealth, have it in their power to contract the currency at any time and produce a financial panic involving every interest in the country and affecting every workingman in the land. There never was devised by the ingenuity of man a more specious plan for robbing his fellow-man than the national banking act. Said Salmon P. Chase, Lincoln's great Secretary of the Treasury, years afterwards, in an hour of regret:

My agency in procuring the passage of the national-bank act was the greatest financial mistake of my life. It has built up a monopoly that affects every interest in the country. It should be repealed. But before this can be accomplished the people will be arrayed on one side and the banks on the other in a contest such as we have never seen in this country.

And that great master of logic, John C. Calhoun, summed it all up when he said:

Place the money power in the hands of a combination of a few individuals and they, by expanding or contracting the currency, may raise or sink prices at pleasure, and by purchasing when at the greatest depression and selling when at the greatest elevation may command the whole property and industry of the community. The banking system concentrates and places this power in the hands of those who control it. Never was an engine invented better calculated to place the destinies of the many in the hands of the few.

We must return to first principles. We must obey the Constitution. We must legislate on this subject and all others for all the people and not for the benefit of the few and the national banks.

Mr. Chairman, now another matter. In connection with the Government central bank there should be established throughout the land postal savings banks, as in other countries. The people of the United States have absolute confidence in the integrity and financial soundness of the Government, and would deposit much of their earnings, now hoarded, in postal savings banks. It would amount to millions and millions of dollars in the aggregate every year. The Government should pay these depositors not more than 4 per cent per annum interest and issue against the deposits postal-deposit certificates, in various denominations, which should be legal tender for all private debts and payable on demand, with interest, at the Government central bank. The Post-Office Department, of course, would deposit this money in the Government central bank. In this way millions and millions of dollars which are now hoarded would come from their hiding places and ultimately be deposited in the Government central bank and by it kept in circulation through the other banks of the country.

Now, Mr. Chairman, this is all I desire to say on this important subject to-day. However, I indulge the hope that the Republican leaders of the House of Representatives will side-track the so-called "Aldrich bill" and the so-called "Fowler bill"—both in the interest of the national banks and against the rights of the people—and give heed to the sure and safe proposition for a Government central bank along the lines I have briefly indicated. The plan can be worked out and perfected, and if I can render any assistance, I shall be glad to do so; and in this connection I ask unanimous consent to print as part of my speech some data relating to the subject-matter.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none, and it is so ordered.

[From the New York Press, February 18, 1908.]

NO ALDRICH BILL, SAY THE BANKERS—NEW YORK STATE MEN ARE UNANIMOUSLY AGAINST IT—WANT ELASTIC CURRENCY—EMERGENCY CIRCULATION, BASED UPON GOOD COMMERCIAL PAPER, IS THEIR DEMAND.

That the membership of the New York State Bankers' Association is opposed to the Aldrich currency bill was made clear last night by the unanimous vote of the council of administration at a meeting held in the Union League Club.

Bankers from every city in the State attended this meeting. Charles Elliot Warren, the president of the State association, delivered an address praising the reforms suggested by Governor Hughes and Clark Williams, State superintendent, and pointing out the defects in the Aldrich measure. Cheers greeted his statement that the best asset of a solvent bank is sound commercial paper, and that a bond-secured currency means an issue that is nonelastic and based upon liabilities. His suggestion for a central bank was approved. Mr. Warren said:

"I believe that if the Aldrich bill becomes a law the best interests of the banks and the citizens of the country will not be protected. Strictly speaking, we do not want a bond-secured emergency currency, for a bond-secured currency amounts to a currency based on liabilities; for, to afford relief, banks who issue this currency must necessarily borrow bonds upon which the issue is based; for, to buy or purchase the necessary bonds out of their resources, banks would have their capacity toward relief of the business community lessened rather than increased by the process; in other words, it would cost, say, \$100 for each \$75 of currency issued under the conditions of the bill.

"The best method to provide an elastic currency is by the creation of a central bank, under the control of the Government, to perform the functions now imposed upon the United States Treasury and the sub-treasuries. It should be the depository of the 5 per cent fund and

should be the bank of issue and deposit; in other words, a United States central clearing house, issuing, in lieu of clearing-house certificates, notes on bank assets, heavily taxed, with a necessary reserve fund and ample facilities for quick and prompt redemption. Each clearing house in existence to-day should be a branch or redemption agency of this central bank."

NEW YORK BOARD OF TRADE AND TRANSPORTATION,
New York, March 16, 1908.

HON. WILLIAM SULZER,
House of Representatives, Washington, D. C.

DEAR SIR: By direction of this board I hand you herewith a copy of the report of our committee on finance and taxation in relation to the Aldrich bill (S. 3023) to amend the national banking laws, and request that you will present same to the House of Representatives and have it referred to the proper committee.

Yours, very truly,

FRANK S. GARDNER, Secretary.

EMERGENCY CURRENCY—SENATE BILL NO. 3023, ENTITLED "A BILL TO AMEND THE NATIONAL BANKING LAWS," INTRODUCED BY SENATOR ALDRICH—PETITION FROM THE NEW YORK BOARD OF TRADE AND TRANSPORTATION.

NEW YORK BOARD OF TRADE AND TRANSPORTATION,
New York, March 11, 1908.

To the members of the Senate and House of Representatives
of the United States of America in Congress assembled:

Your petitioners, the New York Board of Trade and Transportation, urgently, but respectfully, request that Senate bill No. 3023, entitled "A bill to amend the national banking laws," introduced by Senator ALDRICH, be not passed for the reasons set forth in the following report of the board's committee on finance and taxation, which was unanimously adopted at the monthly meeting of the board held this day:

REPORT OF THE COMMITTEE ON FINANCE AND TAXATION.

At a meeting of the finance committee, held on Wednesday, the 4th instant, thoughtful consideration was given to United States Senate bill No. 3023, entitled "A bill to amend the national banking laws," introduced by Senator ALDRICH.

This bill provides for an emergency currency to be secured by United States, State, county, municipal, and high-grade railroad bonds, to be issued only in times of emergency. To be specific, the objectionable features of the bill are:

First. Its passage would postpone for an indefinite time further serious consideration of currency reform.

Second. It would add one more unwelcome provision to our already defective banking system, viz, the inducement it offers to banks to invest in railroad, State, county, and municipal bonds.

Third. Under the provisions of the bill the cost of taking out currency and putting it in circulation would be so heavy that the bill would probably be inoperative.

It is the judgment of your committee that the passage of this bill should be opposed by this association on the general ground that it would bring no benefit whatever to our defective currency system, but, on the contrary, would probably introduce an element of weakness into our banking situation.

Conservative bankers agree that investment in bonds by commercial banks is not in line of good banking, and that no emergency-currency measure should be adopted that would encourage banks to buy bonds for future use or that will make necessary the purchase of bonds in an emergency in order to obtain a currency supply. Everything a bank owes is payable on demand, and its assets at all times should be kept in the most liquid state possible.

The experience of banks in commercial centers, especially in reserve cities, and more especially in New York, is that once or twice each year there arises a condition in the money market which makes it almost impossible for them to maintain their lawful money reserve, and as a necessary precaution conservative bankers in midwinter, when harvest money returns, buy short-time paper maturing in the spring, and in the summer, when money is plentiful, paper maturing in the early autumn. The maturity of this paper enables them to augment their reserves during those seasons of the year when the pressure for money is the greatest, whilst any bond investment, or other form of long-time investment, would make it difficult, if not impossible, at such times for them to easily maintain their lawful money reserve.

If bank assets were kept in such liquid form that at all seasons of the year, without difficulty, banks could maintain their proper reserve, the necessity for an emergency currency would seldom arise.

The provisions of the bill would probably never be availed of except in the direct extremity. For stringency in crop-moving periods they would, in our judgment, be inoperative.

The purchase of bonds with its attendant risk of loss, the tax of 6 per cent, the locking up of probably from 15 to 25 per cent of the cost of the bonds, would make the interest charge on the currency received so high that no banker could be induced to take it out. Even in the face of approaching panic bankers would hesitate to pay so high a rate for money.

The risk of loss involved in the purchase of bonds for emergency purposes would be great, especially if bought during a panic when speculative prices prevail. If a 2 per cent United States bond as security for circulation should be worth from 105 to 110 in time of panic, what would a 4 per cent municipal bond or a 4 or 5 per cent railroad bond be worth for the same purpose? And what would the same bonds be worth after the panic subsides, when the bonds were no longer in demand? Commercial bankers who have in the past invested to any great extent in railroad and municipal bonds will generally agree that the loss on such investments, covering any ten-year period, has been much greater than on commercial paper, and that their bond investments in times of money pressure has made it very difficult for them to accommodate their commercial customers.

The purchase of bonds during an emergency, as security for circulation, would weaken the cash condition of banks unless at the same time they were using clearing-house loan certificates in settlement of balances between themselves, for the money required to purchase the bonds would be one-third greater than the amount of relief obtained, and would have to be paid for in lawful money through the clearing house.

For these reasons your committee recommend that the New York Board of Trade and Transportation enter its protest against the passage by Congress of the bill presented by Senator ALDRICH, and that the

Committee on Finance be authorized to take such steps as in its judgment seems wise to oppose the enactment of such law.

Respectfully submitted.

ALEXANDER GILBERT, Chairman.

ALBERT PLAUT,

LOUIS WINDMULLER,

E. A. DE LIMA,

WM. S. GRAY,

GEORGE C. BOLDT,

Committee on Finance and Taxation.

WM. MCCARROLL, President.

[L. S.]

A true copy:

Attest:

FRANK S. GARDNER, Secretary.

In submitting the report, Mr. Alexander Gilbert, chairman of the committee on finance and taxation, addressed the New York Board of Trade and Transportation as follows:

"MR. PRESIDENT AND GENTLEMEN: Considering the attendant risk and loss, and the probability that the cost of currency would be at least 8 per cent and the amount of relief received one-third less than the amount required to purchase the bonds, I should hesitate before applying for any relief under the provisions of the Aldrich bill.

"The Aldrich bill provides that certain bonds shall be available as security for the currency to be issued under the bill's provisions. On the approach of a panic it is very probable that speculative dealing in the bonds would advance prices to such a high point that conservative bankers would hesitate to purchase them and take the risk of loss involved, especially if they desired to sell them after the panic should subside and the active demand should no longer exist.

"If we are to have nothing more than provision for emergency currency at the present session of Congress, then let us have a measure that will not be hampered and made impracticable by provisions which require banks to buy bonds in an emergency and take the attendant risk of loss; or to borrow bonds paying 2 per cent for the accommodation, which, added to the tax, will make the currency too expensive to take out; or to carry bonds as a part of their assets, which once or twice each year will make it difficult for them to maintain their reserves and accommodate their customers. Let us have a currency based upon assets already in possession of the banks; that can be put into circulation immediately without the slightest risk of loss; that will afford instantaneous relief, and having done its work can be quickly retired. Clearing-house loan certificates issued to banks on deposit of bank assets approved by the clearing-house committee, with a 25 per cent margin as collateral, and the joint guaranty of the clearing-house banks behind them, constitute the safest and most logical security for an emergency currency that can be offered.

"The business men of the country do not fully appreciate the great value of clearing-house loan certificates in time of panic; neither do the Members of the two Houses of Congress. Nine times during the history of the New York clearing house the associated banks have found it necessary to issue loan certificates. The aggregate amount issued during these nine different periods has been \$266,000,000, all of which were retired within a period of four months without the loss of a dollar. Seventy-two per cent of the collateral was commercial paper and only 28 per cent other securities. During the recent panic about \$100,000,000 were issued, and before the expiration of the four-months' period the entire amount will have been retired, the amount now outstanding being considerably less than \$2,000,000.

"While this may not be pertinent to a discussion of the report of the committee on the Aldrich bill, I introduce it here to call attention to the fact that, since the subsidence of the recent panic, certain Members of Congress in their speeches on financial questions have charged the New York banks with having issued clearing-house certificates for purposes of stimulating stock speculation. Nothing could be further from the truth, as no body of business men in the country have a deeper interest in commercial conditions than the members of the New York Clearing House Association.

"The banks took out loan certificates, paid 6 per cent for the privilege, and loaned to their customers at the same rate. They spent large sums in the purchase of currency and the importation of gold in order to maintain cash payments, which were maintained to a very large extent, notwithstanding reports to the contrary.

"I now refer to these facts to show the country at large that the New York bankers appreciated the responsibility that was resting upon them, and acted promptly, intelligently, and conscientiously.

"If we fall at this time to adopt a currency system that will work automatically, and expand and contract in accordance with the demands of the country, it will be found that the issuance of clearing-house certificates will be the only thing that can be used to save the country when the next acute crisis comes."

[From the Philadelphia Inquirer, February 17, 1908.]

WE MUST HAVE CURRENCY LEGISLATION.

Under discussion in the Senate is a measure known as the Aldrich bill. It is a makeshift—nothing more nor less than that. It pretends to be nothing else. Yet there is some merit in it.

The merit lies in the fact that, in the absence of anything like a scientific method of issuing and circulating currency, it provides instant expansion of currency in times of great stress. That is all that it does do. The proposition is simplicity itself. If it had been in operation last fall there could not have been a stringency, because the banks could have supplied themselves with all the notes necessary to conduct business. Clearing-house certificates would have been unknown. Any depositor could have obtained his very last dollar without difficulty.

If this Aldrich bill were intended for all time and to be regarded as a permanent patch upon the crazy quilt which covers our financial legislation, then we should oppose it with might and main. A comprehensive currency system is needed, and badly needed. No makeshift like this Aldrich bill can be accepted in place of a comprehensive system. There is a wide demand for radical reform, and that reform has got to come.

But there is one great obstacle in its pathway—a lack of anything like unity. Bankers are divided among themselves, business organizations hold different views. The Trades League, of this city, for instance, indorses the Fowler idea of a bank asset currency. One expression of thought eliminates the Government entirely from the banking business. Another desires the Government to do everything. As for the Inquirer, it is inclined to agree with Senator LODGE that the proper thing to do is get into touch with the business methods of all the other great nations by adopting the central bank of issue plan.

Out of all these varying views something tangible will eventually emerge, but perhaps not until a commission of experts has made a complete study of conditions. Meanwhile something has got to be done at once to prevent a recurrence of the financial panic of last fall. An elastic currency is the one preventative in sight. That the Aldrich bill provides for. It is a stop gag, if you please, a plug, a dam, anything you may like to call it. If it can be amended and made better, all well and good, but Congress must make up its mind to one thing, which is that a failure to accomplish anything at all because of dissensions will not be condoned by the country.

[From the Philadelphia Item, November 29, 1907.]

OUR FINANCIAL TROUBLE WILL SOON END.

Congressman WILLIAM F. SULZER, of New York, has announced his purpose to introduce a bill in Congress along the lines marked out by the Item, namely, to provide as a part of the Federal Treasury Department a central Government bank, through which all the Government money shall be issued, and in which all deposits shall be made.

Mr. SULZER suggests that the Government charge 2 per cent interest on Government deposits in time of stringency, with the understanding that the banks so borrowing Government money shall not charge more than 6 per cent. In order to force payments of such loans by the Government he would empower the Government to increase the rate of interest to 10 per cent.

Mr. SULZER's bill, so far as he makes it known, is all right. And if it contains a provision to issue additional legal tenders sufficient to meet normal business requirements and additional sums—not limited—at extra cost perhaps, if necessary, in times of stress, the entire programme will stop any future panics or stringencies before they begin, and put our nation's industries upon a sound and stable footing.

The New York Herald and a number of other prominent journals recently came out editorially advocating what the Item has long maintained, namely, that an issue of legal tenders has become imperative; that what the country wants is more cash, and not more Government bonds.

The Government reiterates that it has increased its circulation of cash from \$23 to \$33 per capita, round numbers, during the past ten years. But no calculation is made of all the gold that has gone out of this country for steamship freights and by way of emigrants sending and carrying it home during the past forty years, nor of the paper money burned up or destroyed in that time, nor many other ways well known to bankers by which money disappears from public use. So some estimate that to-day we only have from \$11 to \$16 per capita in circulation. Nobody knows what the sum is. But everybody knows there is not enough to go around to meet the average 7 per cent cash requirements of this nation in excess of the 93 per cent now used in the form of bank checks.

Congressman J. G. CANNON of Illinois, who will be elected Speaker of the coming session of the House of Representatives, says he will assist in currency legislation in the next Congress. He declares himself ready to aid the President in the forthcoming recommendations expected at the opening of Congress next month.

He adds that he will not permit political considerations to interfere with bringing to success the next session of Congress in the matter of legislation that may be needed.

This public word of Speaker CANNON is timely and to a large extent indicates that his following in Congress are to-day fully aroused to the quick necessity of remedial currency action.

Further than that, the recently published utterances, in no slow language, of Representatives and Senators from all over our big-crop districts, demanding instant cooperative Congressional effort for relief from the painful distress of their constituents, also shows the general temper of the next Congress.

An additional strong point for which our business public have good cause for congratulation lies in the fact that this is no partisan question. Democrats, Republicans, and Independents are all in accord that something must be done for relief, and done quickly. This feature insures there will be no dilatory tactics employed; and if any obstructing elements are introduced, they will be of a nonpartisan character, which point will better enable our business public to know where to look for their cause.

Speaker CANNON said he was not committed to any plan; that there were very many measures for relief that would be introduced besides those from the Executive chamber and the Committee on Banking and Currency. He added that he is in favor of the passage of all legislation that the country needs, and in favor of doing it as quickly as it can be accomplished.

Continuing, he said: "The country has never been so prosperous as now. There are ten thousand million dollars' worth of products waiting to be marketed. These products are going to market, and there will, in my opinion, be no serious stagnation of business."

There is a vital point right here well worth the careful attention of all industrial and legislative cooperation, namely: If Congress will adhere strictly to the commercial business line in its main intent and purpose, above laid down in the next preceding paragraph, as distinguished from heeding certain opposing interests, who look upon the nation's welfare as entirely secondary to their own, our whole business community will have great cause for rejoicing.

The danger on this point is that "opposing interests," being better informed as to what they do not want, may override Congressmen, who, like Speaker CANNON, practically confess they know comparatively little about currency subjects.

Therefore a simple programme might advantageously be adhered to, such as an unlimited issue of full legal tenders for good security and the making of our Treasury a central bank of issue and deposit.

AN APPEAL TO THE PRESIDENT.

[The following article is an editorial by Hon. Thomas E. Watson, of Thomson, Ga., in his Weekly Jeffersonian, of November 14, 1907, and is worth your time to read and reread and then pass down the line to your neighbors who believe in sound, constitutional money of our fathers.]

Crazy for compound interest on ten times more capital than they had invested in their business, the national bankers built up a huge sky scraper whose foundation is the small end of the pyramid.

On one dollar of real money these greedy gentlemen, who rallied against the "50-cent dollar," of constitutional silver money, based a credit currency of 10 to 1.

Crying fiercely for "sound money," they struck down the financial system of a hundred years.

Furiously denouncing the "free-silver cranks," they changed the Constitution of the fathers, without asking the consent of the States, and by a Treasury ruling, followed up by act of Congress, they illegally created a gold reserve, a gold standard, and a credit currency, when the supreme law of the land, as interpreted by the highest court, had established the system of gold, silver, and Treasury notes.

The gold and silver were to be coined on equal terms, and the Treasury notes were to be issued as needed.

Thus the elasticity feature was introduced into the original constitutional system of our fathers.

The precious metals were to be coined as they were dug from the mines and offered at the mints.

Treasury notes were to be issued in emergencies.

This Treasury-note feature gave to the original system all the elasticity that it was safe to give.

Thus Mr. Jefferson issued Treasury notes at the period of the Louisiana purchase.

Mr. Madison issued Treasury notes during the war of 1812.

President Jackson issued them after his overthrow of the national bank.

Mr. Lincoln issued them during the civil war.

But the national bankers dominate the Government, and these modest gentlemen have always bitterly opposed the Treasury notes.

Why?

Because they want their own notes to furnish the elasticity feature of the currency system.

Again why?

Because they want the compound interest on these notes of theirs. Could anything be more evident?

Out of sordid and grasping selfishness, therefore, the national banks set in to destroy the Treasury notes issued under Mr. Lincoln, and they caused to be burned up nearly two thousand million dollars of national notes before President Grant put his foot down and made them stop it.

In the place of the millions of destroyed Treasury notes the national banks at once slipped credit currency of various sorts.

Upon this they have earned enormously in compound interest.

They hate the Treasury notes that they have been persistently endeavoring to drive Congress into ordering the destruction of the remaining \$346,000,000 of greenbacks which General Grant saved.

At the present time these sound-money gentlemen, who have brought the country to the brink of ruin, are clamoring for an "elastic currency," but they demand a monopoly of the rubber.

They must be permitted to furnish the elastics.

They must have the compound interest.

They must be invested with the tremendous power of expansion and contraction.

They must be left in such full control of the financial situation that every succeeding President must be made to feel that the New York banks hold the Government in their power, just as President Cleveland felt it:

"My God, Oates, the banks have got the Government by the leg!"

Think of a President putting up a poor mouth like that!

Humiliating to the last degree is a situation in which our Chief Executive trembles before the banks.

Recrue to his trust is the President who fails to use the powers invested in him by the Constitution to save his people in just such a crisis.

Away with the illegal, contemptible makeshift of clearing-house certificates.

They add insult to injury.

There is no law for them.

They are an outrage upon innocent millions of people whose money has been unlawfully used by high-finance criminals.

Give us the relief which the Constitution of the United States provides.

GIVE US TREASURY NOTES.

The Supreme Court declared that they came within the true intent and meaning of the Constitution. That decision has never been overruled. Therefore it is law.

You are not afraid of the New York bankers, are you, Mr. Roosevelt?

You will not echo the cowardly whine of Grover Cleveland, will you, Mr. Roosevelt?

A lusty young fellow, who persistently kept out of the war by hiring a substitute, as the robust, unmarried Grover Cleveland did, was not expected to have courage of the real sort, but you went where the bullets sang, Mr. Roosevelt.

You didn't dread the smell of powder.

You proved that you had grit.

Therefore you are not afraid of the "malefactors of great wealth," who have rioted in reckless methods.

You will face them, as Andrew Jackson did.

You will drive the national banks off the Government reservation.

You will take back into governmental control the sovereign prerogative of coining money.

No king ever allowed a subject to coin money.

That's a royal prerogative.

And our Supreme Court has said that when our fathers used the word "coin money" they meant create money, and that the money could be created out of any material the Government saw fit to adopt.

Here is the big stick with which to slay the monster panic.

Here is the club with which to hammer the insatiable dragon of compound interest.

USE IT, MR. PRESIDENT.

Don't let the bankers get you "by the leg."

Don't whine and surrender, as Cleveland did.

Don't have any secret midnight conference with J. P. Morgan, as Cleveland did.

Don't saddle the nation with debt, as Cleveland did.

Stand by the Constitution.

Follow the precedent of Andrew Jackson.

Drive the banks back to legitimate banking, and let all the paper currency be Treasury notes issued by the Government.

If \$262,000,000 in bonds were legal, the same amount of Government paper, issued in small notes, will be equally so.

Our fathers put the elasticity feature into our financial system, Mr. President.

It was put there for a wise purpose.

It was intended for an emergency.

The time is here; the urgent need is here; the weapon lies at your hand. Seize it, Mr. President, and slay this monster of panic, which menaces the innocent millions.

[By A. E. Stilwell, president of the Kansas City, Mexico and Orient Railway Company.]

THE CRISIS AND THE REMEDY—AN OUTLINE OF A PLAN FOR CREATING AN ELASTIC CURRENCY.

A number of years ago I foresaw that sooner or later the country would inevitably suffer from the financial condition which now exists. The following plan occurred to me as being a feasible way of relieving the situation, and, after taking the matter up with President McKinley, who looked upon it with favor, I sent an outline to a number of prominent bankers, Senators, and Congressmen. They all agreed with me that the plan could be carried out with success, but as there was at that time no disturbance in business, they did not think it necessary to change existing banking methods, and the matter was dropped. I have thought over the plan continuously since that time, and I believe that if the idea embraced herein were put into operation, the banking interests of this country could be placed on a sound basis, so that we would have the best banking system in existence. This would result in restored confidence, and the present stringency would immediately be relieved.

THE PLAN.

Have Congress pass a bill incorporating the United States bank of discount, to be a bank of issue, with a capital of \$300,000,000. The functions of this bank will be:

1. To issue circulation.
2. To discount with its capital the paper of national banks.
3. To insure the deposits in all national banks.

Have the national banks subscribe for the stock exclusively, and provide that the stock can be used with the United States Government in order to secure circulation, in the same manner that Government bonds are now used, every national bank to be required to invest one-fourth of its capital in the stock of this bank; provide that the stock shall draw interest at the rate of 3 per cent, and that if the interest is not earned (a remote contingency) the Government will make up the deficit.

The United States bank of discount will select one representative from the board of directors of the various national banks. This representative will be a resident of the city in which the bank is located, and it will be his duty to report to the United States bank of discount any irregularities which he sees in the management of the bank.

The United States bank of discount will have the right to examine all national banks, just as the Government does now, as this bank insures all of the deposits, and for this reason must know the risk that it takes. This examination simply adds to the safeguarding of the banking system.

The United States bank of discount will issue its currency in the following way only:

Every national bank will have credit with the United States bank of discount for an amount equal to its surplus and capital. This will encourage banks to pay in a large surplus, making an additional safeguard to the entire banking system. The credit may be used as follows:

When the crops are to be moved additional money is required. Suppose, for instance, a bank at Topeka, Kans., has a capital of a quarter of a million dollars, and this bank wishes to avail itself of the credit which it has with the United States bank of discount, the amount being equal to its capital and surplus, \$450,000.

The Topeka bank takes to the Kansas City clearing house, which is the representative of the bank of discount in the section, \$450,000 of bonds; the clearing house approves the collateral, and gives a certificate to the Topeka bank stating that it is entitled to \$450,000 worth of bank notes to be issued by the United States bank of discount. The Topeka bank sends this certificate on to the United States bank of discount, and receives \$450,000 of circulation paying at the rate of 5 per cent per annum while out. One-half of this issue must be retired in six months and the balance in one year, or the bank must be liquidated if it is unable to retire the issue in that time. When the bank wishes to pay off the \$450,000, it sends this amount of national-bank notes (not gold or silver certificates) to the United States bank of discount, and its collateral is returned by the Kansas City clearing house on order of the United States bank of discount.

This plan immediately creates an elasticity to the currency of the country equal to the capital and surplus of all the national banks in the United States. It will be to the interest of the national banks to build up their surplus, in order that they may have a discount reserve at this bank.

Instead of keeping so much money in New York, they will buy high-grade bonds, such as the Massachusetts savings banks buy, and will keep these for the interest which they earn, knowing that they can be used at any time to secure currency. The United States bank of discount would publish each year a list of high-grade State, city, and railroad bonds in which all national banks could invest and hold to secure circulation when needed. This would create a market for a billion or more of high-grade bonds that the banks would buy and hold, first, for the interest, and second, as they are the basis for the issue of currency by the United States bank of discount.

One of the most important features of the United States bank of discount will be the insurance of all deposits in national banks. In the passbooks issued to depositors in national banks the following might be inserted: "In case this bank should suspend or fail the United States bank of discount will pay all depositors in full within ten days."

In case of suspension or failure the United States bank of discount will have the following ways of reimbursing itself:

1. The assets of the suspended bank.
2. The double liability of the stockholders.
3. The insurance fund created by collecting from each national bank one-fourth of 1 per cent of its average balances for the year. At the end of every three years the United States bank of discount will declare dividends equal to one-half of this insurance fund, which will be distributed to the national banks in proportion to the amount which each has contributed.

The national banks of each State will elect one director of the bank. These directors, in turn, will elect an executive committee, which will have the entire management of the bank.

It should be noted that this plan does not contemplate any change whatsoever in the present national banking methods or in the relation of the national banks to the treasury, but is an auxiliary plan, not calculated to cause the uneasiness which radical changes would be apt to involve.

THE RESULTS WHICH THIS BANK WILL ACCOMPLISH.

1. An elasticity to the currency, which will enable the banks to take care of the needs of the country during the time of moving crops.

2. A stability to the national banks, as they could at all times call upon the United States bank of discount for currency to the extent of their capital and surplus.

3. The insurance of all deposits would result in keeping a large amount of money in the banks which is now kept in safe-deposit vaults. This would add largely to the currency in circulation, and at the same time would prevent runs in time of trouble. This insurance of deposits in national banks is as important as fire or life insurance, as safe and proper banking facilities are a necessary element in the business world.

4. This bank could never become a monopoly, as it does business only with national banks, and not with the public. Its business will be limited to the issuing of its notes to the national banks for discount. The only business which it will carry on will be the making of loans to the Government and the insuring of the accounts of national banks.

5. This bank will be located at Washington, and will not be under the control of any one political party, but will be controlled by all the national banks of the United States.

6. It will receive no deposits except those of the Government.

7. The whole country can not then be made to suffer by the fighting among the men who have been caught in Wall street. Each bank will know what it can depend upon in time of need. It will not be affected by stock gambling, and will not be dominated by men who have been carrying on their business on a stock-gambling basis.

If this bank should be incorporated, I am convinced that it would solve the problem now confronting the country in regard to the banking system. If at the same time a bill could be passed in Congress making the short selling of stocks, wheat, corn, or cotton punishable by fine and imprisonment, one of the greatest menaces to the business interests of our land would be removed. The people who own the land and grow the crops ought to control the prices, and not the people who speculate for their own profit.

We have recently read in the papers that a New York man has made a profit of \$5,000,000 by the short selling of stocks. The owners of the stocks did not make these low prices, but men who did not own them forced the owners to sell. When timid people see the stocks which they own rapidly falling in price, they are seized with fear and immediately dump their stocks on the market, thus giving an opportunity to other persons to sell short at a great profit. If it is a crime for one man to sell property which he does not own, but some day hopes to own, why is it not a crime to sell the cotton or corn which he does not own, and thus force prices down, compelling the man who owns the cotton or corn to sell at less than the real value of the commodity? Think of the great harm which can be done in times like these by rich speculators who have never done anything to build up the business of the country! The men who, knowing that some concern is struggling to continue its existence, take advantage of this extremity and begin to sell the stock short, are of the greatest harm to the business interests of the land. The stockholders, knowing that the company is having a struggle, begin to fear for the safety of their investment; they see the quotations of the stock going lower day by day, not knowing that the quotations are created by people owning none of the stock, so they immediately begin to dump the stock on the market, thus creating the opportunity which the stock speculator has been looking for. The officers of the struggling corporation have outstanding loans, with the company's stock as collateral, and in order to save their own credit they are compelled to refuse assistance which otherwise they could give to the company. As a result, the company fails because of the short selling of some unscrupulous speculator, who is only waiting, like a vulture, to devour the unfortunate. The protection of business which would result if such a method were punishable, as it should be, would be of inestimable value to the entire country.

A. E. STILWELL.

BROOKLYN, December 9, 1907.

DEAR MR. SULZER: I have read the paper you handed me, embodying your ideas for a Government bank and currency law. I agree that the people collectively should be saved the payment of interest on United States bonds to the extent that national currency is necessary, by paying off the former, retiring national-bank notes, and issuing Government notes as currency instead. But while the latter should be redeemable in lawful money, as are national-bank notes, they should not be made "legal tender." They would be accepted everywhere by the people without that quality. To replace national-bank notes—not legal tender—with legal-tender notes would be a great inflation of the "lawful money" volume in the interest of money lenders and financiers.

The recent increase of public debt, with over \$200,000,000 on deposit in national banks, exhibited the unreliability of banks as Government depositories, and was little calculated to relieve conditions.

If Congress will lower the 25 per cent dam so as to permit a portion of the reserves to flow out legally during crop-moving time—somewhat as planned herewith—needed elasticity would be simply and practically provided, without further issues of any kind.

Yours, truly,

O. H. SCHREINER.

Hon. WILLIAM SULZER, M. C.

Washington, D. C.

Please notice Ex-Comptroller Dawes's remarks herewith.

Elasticity of currency and immediate relief to national banks may be given by modifying the law so that reserves shall thereafter be as follows:

	Per cent.
July and August	25
September and October	20
November and December	15
January	17½
February, March, and April (until after April settlements)	20
May	22½
June	25

Banks in central reserve cities would thus be able to loan between August and December \$120,000,000, being two-fifths of reserves now required, to be fully restored as above by June.

Such an enactment would abolish rigidity of the reserves, give all needed elasticity during the fall season, and at once relieve the present strain upon New York banks especially by reducing the requirement for reserves.

If the banks in forty "other reserve cities" were compelled to retain their reserves "on hand in lawful money," they would, in like manner, by the Comptroller's abstract of reports, be prepared to contribute \$142,000,000 in addition, which would make a total of elasticity at all reserve cities of \$262,000,000.

OBJECTIONS TO THE ALDRICH BILL.

MY DEAR SIR: I wish to call your attention to a few of the glaring defects in the "Senate," or "Aldrich bill," that is now proposed as a panacea for panics.

First. It will discredit any national bank putting out such notes or even paying them out over their counters.

Second. This bill will not expand and keep pace with the growth and development of the country.

Third. It would give us at this time only \$159,070,413.14 additional or emergency circulation instead of \$250,000,000, as its authors announce, tying up an additional reserve with the 6,000 national banks that can never issue these notes to the amount of \$110,929,586.86, depriving them and their customers of credits amounting to \$554,647,934.30, and as the business and commercial wealth of the country increases the amount of emergency circulation benefits will decrease.

Fourth. The time such notes shall be issued and the amount of issue is too great a responsibility to be placed on any one man.

Fifth. The securities to be taken at 75 per cent of their market value as a basis for circulation, and in case a bank should fail and the Government not realize 75 per cent of the value of the securities, which, being a certain class of designated securities bearing a higher rate of interest, would command a greater premium and be subject to a greater shrinkage in value during a panic. The deficit would be a first lien upon the assets of the bank to the detriment of its creditors.

Sixth. Under this bill a bank with a capital of \$10,000,000 and a surplus of \$10,000,000 may be permitted to issue \$20,000,000 of Aldrich notes and \$10,000,000 of bond-secured notes by depositing the amount of its capital in United States bonds at a premium of 4 per cent, or \$400,000 and \$26,666,666.60 of other securities or \$27,066,666.66 taken from the assets of the bank. Would this inspire public confidence in the bank issuing the 6 per cent Aldrich notes, which under the most favorable circumstances can not be issued at a less cost than 8 per cent?

Seventh. Under section 4 of this bill the tax received by the United States Treasury on the Aldrich notes is not to be used as a guaranty fund to redeem these notes, as many are led to believe, but is for the redemption of United States and other notes.

Eighth. Under section 9 of this bill it may be so construed that bond-secured notes may be retired before the other notes if for any reason the Comptroller of the Currency or Secretary of the Treasury might deem it advisable. This should not be permitted.

Ninth. There is danger of inflation through carelessness of redemption of the Aldrich notes by the payment into the Treasury of lawful money by the banks wishing to retire these notes and this money deposited with some depository bank, pending the return of these notes. Such money should be kept in the United States Treasury.

Tenth. The country banks have been criticised for hoarding cash, and yet under section 8 of this bill they are required to increase their legal reserve on hand from two-fifths to two-thirds of 15 per cent of their deposits, thus locking up \$110,929,586.86 additional money.

Eleventh. The security for the Aldrich notes is United States bonds and certificates, railroad bonds (not street railway) paying 4 per cent on entire capital for five years past, city or county bonds of communities fifteen years in existence that have not defaulted for ten years in the payment of principal or interest, with a population of 20,000 as per last census.

Banks can not be expected to carry United States bonds, if this measure becomes a law, as they will not do it now. Had they done so we would have more circulation than this bill provides for.

I have no means of knowing, but dare say that there are not a half dozen railroads in the United States whose bonds could be accepted under this measure.

There are but 232 cities in the United States with a population, according to the last census, of 20,000 inhabitants or over, and how many of that may have defaulted in payment of either principal or interest during the past ten years we have no means of knowing. Under this measure there are thirteen States and Territories that do not have a city of 20,000 in them, and the following is the number of such cities in each State:

Alabama	3	Montana	1
Arkansas	1	New Hampshire	3
California	6	Nebraska	3
Colorado	3	New Jersey	15
Connecticut	7	New York	20
Delaware	1	North Carolina	2
District of Columbia	1	Ohio	15
Florida	1	Oregon	1
Georgia	4	Pennsylvania	20
Illinois	12	Rhode Island	4
Indiana	8	South Carolina	2
Iowa	10	Tennessee	4
Kansas	4	Texas	7
Kentucky	5	Utah	1
Louisiana	1	Virginia	6
Maine	1	Washington	3
Maryland	3	West Virginia	1
Massachusetts	28	Wisconsin	8
Michigan	9		
Minnesota	4		
Missouri	5		

After carefully considering this, how many Members of Congress are there who have not a city in their district that could furnish such bonds, and why this discrimination against the smaller cities? Why is this measure so drawn that only a limited few railroad securities are acceptable, and why are the securities confined to such a limited list?

The securities required are such as are not carried by scarcely a bank of the country class, or those required to carry a 15 per cent reserve, and if this bill should become a law, instead of being of any benefit to them, it would be a positive detriment, as compared with the present law, and instead of preventing a panic, when its provisions are understood, it would more likely cause one, and leave the country banks entirely at the mercy of their customers, with an additional handicap in the way of a reserve, and a surer chance for Federal imprisonment for violation of the national banking act.

If the Members of Congress have the interest of their constituents at heart, and their future, they will vote "no" on this measure, as its passage would be worse than no legislation.

Yours, truly,

JOHN L. HAMILTON.

REFERRING TO THE ALDRICH BILL AND THE INCORPORATION OF CLEARING HOUSES UNDER A FEDERAL LAW.

[Letter read before a meeting of Group Eleven of the Iowa State Bankers' Association, held at Mount Pleasant, Iowa, February 22, 1908.]

QUINCY, ILL., February 20, 1908.

To the Hon. JOSEPH G. CANNON,
Washington, D. C.

DEAR SIR: I have been asked by friends, both east and west, to write to you in regard to the Aldrich bill now pending in Congress. You may think that I write from both a political and bankers' standpoint; I would rather have anything I might say considered in the interest of the borrowing class, and as an economic question.

Well-managed banks have earned and paid dividends even in the severest panics from 1837 up to this time. Other business interests are even more than banks adversely affected by a severe panic and sudden contraction of credits. With the increased production of gold we have at present a redundancy of currency—including, of course, the demand issues of the Government. Since last August there has been more money in the hands of the people than in the bank vaults. Should the Aldrich bill be passed as introduced, it will not meet the requirements in the movement of the crops or other situations in future panics. Bank members of the clearing-house associations will still have to take out clearing-house certificates, as has been done during every panic since the civil war and the introduction of Government paper issues.

I will state only a few reasons why I think the Aldrich bill is not likely to benefit business interests.

First. There is, as stated, a redundancy of paper issues and there is no necessity at present for an emergency circulation.

Second. Legislation should be nonpartisan and in the right direction, anticipating the future growth and needs of the country, both in respect to the development of domestic and foreign commerce. Neither the Aldrich nor the Fowler bills are receiving the indorsement of business men generally, especially in the South and West, where currency issues should be easily and quickly put out to assist the movement of crops and equalize the rates of interest; New York should be relieved of the annual strain upon her resources. Provision should also be made for an emergency circulation to be immediately issued through clearing-house organizations in every part of the country when a financial crisis is on. This, too, without encroaching upon bank reserves, and making it possible for banks not to contract credits. "We have had stringency in the money market every fall for forty years, and it has produced panic after panic." "The panic of last October only indorsed the lesson of the panics from 1857 to 1893, in demonstrating beyond denial that perfectly solvent banks, if isolated units, without cooperation, can not protect themselves and save themselves from failures without such suspension of payments as to produce demoralization in all the business of their customers."—Ridgely.

Third. The Aldrich bill limits its operation to national banks and on the security of bonds (held almost altogether in the East) representing fixed capital, exposing the country to increased issue of bonds and inflation of bank issues. The national banks in our country number, say, 6,500. There are nearly 20,000 banking institutions in the United States closely connected with banks comprising clearing-house associations. Their assets represent gold, silver, currency issues, banking-house properties, business paper (which does not fluctuate in value like bond issues of all kinds), real estate mortgage loans, and bonds.

Fourth. Taking a long view of the matter, no party can afford to force a financial measure through the present Congress with very general objections to a bill by the business interests in the South and West.

Fifth. If the Aldrich bill is to be forced through at this session of Congress, and the bill introduced by the American Bankers' Association is not to be considered, then let the Aldrich bill be changed and amended, by sections taken from Senate bill No. 108, providing for the incorporation of clearing houses under a Federal law and with power to issue currency to its bank members on the pledge of selected bank assets, and with clearing-house rules to enforce its retirement at any time.

The clearing-house associations in some States represent a larger banking power than any of the governmental banks of the world. Their issues would have, besides selected securities passed upon by the practical committees of clearing houses, the mutual guaranty of all the associated banks, and their clearing-house notes would be absolutely safe and under strict regulations for redemption at many centers, and when not needed would be redeemed even more rapidly than issued. Clearing-house associations have always caused early redemption of clearing-house certificates.

The true basis of sound banking is commercial paper, used as it is in governmental banks abroad, such paper representing circulating or liquid capital. In addition to the gold in their vaults, it was the basis of bank circulation in New England under the Suffolk bank system, which bank notes were, at the time of their issue, at a premium in the West.

The sections referred to, added to the Aldrich bill, would, as has been stated, afford the simplest and most effective means for giving elasticity to the currency, and consequent stability to commerce and trade. It would not require any changes or amendments to the national banking act; but it would be a supplementary measure, if not a rounding out of the national banking system, bringing the banking machinery of the country under Government supervision and control. There is centralization in the European system of banking, and the weakness of our system is decentralization. The incorporation of clearing houses under a Federal law, with authority to issue clearing-house certificates and notes, would, by combining the entire assets of its individual members, centralize their resources and, as hereinbefore stated, furnish facilities surpassing even the power of governmental banks in Europe.

Sixth. The Aldrich bill provides for an addition of five hundred millions to the volume of paper issues, and without any addition to the gold reserves of the banks. That is a dangerous power, in the direction of inflation. The smaller national banks in the South and West have already taken out circulation to the amount of their capital.

Custom-house duties and internal-revenue receipts taken from the lifeblood of commerce and deposited, as they are, with the subtreasuries instead of in banks, contributes toward the monetary stringency every fall, as well as at other seasons. Crops should be moved without our having to look to Washington for help periodically as well as in times of panic.

Seventh. Considering the bond deposits to secure these issues, it would lead to the organization of bond syndicates, speculative transactions, to the prejudice of agricultural sections of the country and resulting in more or less graft. It would not contribute to hold down interest rates, and even with the 6 per cent tax on emergency circulation, speculation would not be prevented, and call, as well as time money would go to high levels as it has reached in years gone by.

Eighth. With the surprising development of our country and its increasing public revenues, it can not be many years before the Government will be able to retire its bonded indebtedness, and such bonds can not therefore always be depended upon as a basis for national-bank circulation. The enormous growth of deposits and clearing-house transactions and their prospective increase in the West and South emphasize the value and use which should be made of clearing-house facilities as indicated. Take only two Western cities as an illustration:

The deposits in Chicago clearing-house banks in 1873 were.....	\$28,651,000
In 1907 they were.....	581,932,000
These figures do not include nonmember deposits of.....	67,573,000
Chicago clearing-house exchanges in 1880 were.....	1,725,684,894
In 1907 they were.....	12,087,647,870
The Kansas City (a much younger city) clearing-house figures in 1881 were.....	420,100,554
In 1907 they were.....	1,649,375,013

The above figures were furnished to me by the managers of clearing houses in the cities named.

The issue of currency should be based upon business transactions, as it was before the civil war. Bank issues and their redemption would then respond automatically to the extension and contraction of business.

As it was thought the civil war could not be conducted on a specie basis (England's wars have been for over a hundred years), Treasury notes were issued and made a legal tender. Business transactions on the Pacific coast were always conducted on a gold basis. So long as Treasury notes are outstanding they will be a menace to sound banking principles, as they were in the seventies, when an inflation of Treasury notes was advocated in opposition to the resumption of specie payments. Later on, in the nineties, when the standard of value was threatened by the purchase of silver, inflation was encouraged by the issue of silver certificates—another menace. In the present Congress a further issue of Government demand obligations may be advocated.

The fixed and irredeemable demand issues of the Government and bond-secured national-bank issues can never be made to respond to the conditions of trade; fluctuating market prices of bonds have always affected the volume of national-bank issues.

Comptroller Ridgely has recently called attention to the fact that "in 1891 the outstanding circulation of national banks reached the lowest point in the life of the system since 1865—only about \$167,000,000, representing 10 per cent of the stock of money in the United States. There was very little variation from that percentage up to 1900, when the proportion increased to 13.23. On June 20, 1907, national-bank notes represented 19.38 per cent of the money in the United States."

In the panic last fall, and after the enormous withdrawal of money from the New York City banks, the necessity of wise precautions in the country at large were obvious to all interests. It was the action of the Clearing House Association of Chicago—after the suspension of money payments—which first issued clearing-house checks, and which were perfectly secured.

They met the demands of labor and trade and were used in other parts of the West. So you have an illustration of their value, and in times of the greatest stress. It is not, then, a theoretical proposition. A sound principle has been practically and successfully applied in your own State of Illinois. Do you say that these clearing-house certificates and checks were extra legal? Then let Congress now legalize their future issue. The remedy lies with the Congress of the United States.

Such a rounding out of the banking system as I have indicated, and all under Government supervision and control, would prevent a sudden contraction of credits and widespread panics, and thus protect all business interests.

In my opinion, the consideration and enactment of some such legislation as is indicated in this letter should precede any consideration of a central or "semi-Government bank," if that is thought to be desirable as part of a general reform.

As Charles A. Conant has well said: "Our present financial system is the outgrowth of Treasury needs of 1863. It handicaps this country in the contest with financial rivals as completely as an old side-wheeler of 1863 would be handicapped in the race across the ocean with the Lusitania or the Mauretania, or as the old wooden ship of the line would be outclassed under the fire of a modern battle ship."

Yours, respectfully,

E. J. PARKER.

[From the New York World, Friday, March 13, 1908.]

CENTRAL BANK THE CURE, SAYS NASH—PRESIDENT OF CORN EXCHANGE INDORSSES VIEWS OF E. H. HOLDEN, CABLED TO THE WORLD.

William A. Nash, president of the Corn Exchange Bank, said yesterday, speaking of the cable dispatch to the World of E. H. Holden, the English expert in finance, holding that a central bank would go a far way toward curing the financial ills of the United States and referring to the Corn Exchange Bank as an example and to President Nash as the kind of a manager the banks need:

"It is evident that Mr. Holden has a clear understanding of the situation in this country. My own views as to a central bank are well known."

"The magnetic needle does not point more unerringly to the pole than the clearing-house certificates point to a great central bank, and, dodge this as we may, and probably will, finally we shall come back to it and hail it as the solution of all our difficulties."

"But such a bank must be organized properly or it will never gain public confidence. The Government must be represented in it, but the dominant power must reside in a board of directors, to which the most eminent bankers and business men shall be chosen. Let the clearing-houses of the great central reserve cities nominate those directors and you will have a governing body as influential and as respected as the Supreme Court of the United States."

"It is hardly necessary to say that political or partisan features in such a bank will be fatal. To give it authority and respect it must be divorced from party politics. Its creation will be a work of patriotism as signal as any we have ever performed as a people."

President Nash referred to the clearing-house certificates to illustrate his point of the need of a central governing power such as Mr. Holden advocates.

"They have been used eight times in the past half century," said he, "always with relief instantaneous, without loss, and with a period of existence from the first one put in circulation to the last one retired of about four months. As an emergency currency it is incomparable; as an asset currency it is the only one that I can conceive of that is not fraught with dangers greatly in excess of the benefits to be derived from it. The secret of the whole matter lies in the character of the men who manage it."

"I do not hesitate to say that an asset currency authorized on a 40 per cent or any per cent basis and entrusted to 5,000 banks all over the country will surely result in a cataclysm of disaster unparalleled in the history of the country. On the other hand, if we organize a permanent form of clearing-house certificate, so lately issued and so fitfully, we will provide the country in advance with a remedy. The whole proposition comes down to that of having a great central bank."

THE PEOPLE, REPRESENTED BY THE UNITED STATES MONETARY LEAGUE, APPEAL TO CONGRESS AGAINST ASSET, CREDIT, OR FLEXIBLE CURRENCY.

The proposed currency schemes, as fathered by the national-bank trust, the Bankers' Association, and sponsored by President Roosevelt, contains within it more elements of mischief, wrong, outrage, and dishonesty than is possible by any other Congressional enactment. So far-reaching, so terribly destructive of the best interests of the people, so promotive of debauchery, robbery, graft, and special privileges, it seems impossible to conceive of a United States Congress enacting into law such plain violations of all decency and equity. This scheme has been hatched by the so-called "great financiers," but most of them mere human leeches, vultures, who, for the past forty-four years, have plied their intellects and brains to study out ways and means for more adroitly plundering the innocent and unsuspecting and the whole nation. To such men, whose business and habits of life have been to gain wealth by their wits, has been delegated the "honor" of bringing forth a measure ostensibly for the good of the country. Great Heavens! What a thinly disguised scheme to, under the form of law, further and more effectually rob the productive industries of the people. And to more easily accomplish their vile purpose they make war upon the silver dollar and the greenback. This good money pays no tribute to the pirates; it is the last vestige of the people's free money, which every man, woman, and child knows is good. This money they would destroy, even though the people starve by it. They want to force the people to use their vicious substitute for money to gratify their greed for gold. And the President of the United States, supposed to hold his office only to promote the general welfare, shows himself to be the agent or attorney of the bank trust in its effort to destroy all the money of the people upon which the banks can not impose interest or control its use. (See his messages to Congress.)

These elementary propositions and principles of honest money are so simple in their application that it is impossible to believe that men of the intellectual capacity of public servants, whether legislative or executive, do not understand fully the intent and purpose of these closely allied schemes—asset currency and destruction of silver and paper money; and their course can be explained only on the hypothesis that they are ready to quiet their conscience, if any remains, by asserting that their conception of duty leads them to walk in the paths and byways commanded by the "captains of industry," the robbers of the producer; they who grow fat upon the labor of women and children, or by the creation of evidence of debt through the machinery of the printing press, the stock exchanges, and a subservient, facile Congress, as well as by an administration ready and anxious to do the bidding of that unholy exponent of greed and avarice—the national-bank money trust.

THE REMEDY, OR THE JUST WAY.

We hereby voice the demand of the people for plain, simple, equal justice to all; that Congress create money as authorized by the Constitution and validated by the Supreme Court, gold, silver, and greenbacks or Treasury notes, every dollar equal and a full legal tender for debt; and that money so created shall be paid into circulation for Government obligations and without the intervention of banks, leaving banks to do business on their own money, in the same manner as others do.

Respectfully submitted,

Jos. N. Stephens, national secretary United States Monetary League, 634 Seventeenth street, Denver, Colo.; Moses Hallett, Denver, Colo.; Arthur E. Pierce, 1320 Stout street, Denver, Colo.; L. H. Weller, vice-president, Nashua, Iowa; Roman J. Jarvis, vice-president, Benton Harbor, Mich.; Morton Alexander, State senator, Arvada, Colo.; James A. Best, Denver, Colo.; D. A. Rankin, Denver, Colo.; Geo. Mays, 1433 York street, Denver, Colo.; H. R. Pender, Leadville, Colo.; C. G. Pitschke, Denver, Colo.; Nicholas Miller, Denver, Colo.; J. C. Jarnagin, vice-president, Warrenton, Ga.; D. A. Deitz, vice-president, Parkman, Wyo.; C. C. Kauffman, vice-president, Green Castle, Pa.; James Greene, vice-president, Thomaston, Conn.; H. M. Donnelly, vice-president, box 917, Providence, R. I.; E. E. T. Hazen, vice-president, Holyoke, Colo.

DENVER, COLO., January 31, 1908.

NEW YORK STATE BANKERS' ASSOCIATION,
New York City, February 26, 1908.

HON. WILLIAM SULZER,

House of Representatives, Washington, D. C.

MY DEAR SIR: The New York State Bankers' Association has, through its council of administration, a body which represents the important banking interests of the whole State as well as the city of New York, taken an active interest in the prospective currency legislation which is now under consideration by both Houses of Congress.

Our association distinctly disapproves of the Aldrich bill as a whole, believing that if this bill becomes a law the best interests of the citizens of the country will not be subserved; that its ultimate results would be disastrous to our commercial interests; and, notwithstanding the manifest necessity for relief from the present situation, it would be preferable to have no legislation at all, rather than that this unwise measure become a law.

NOTE.—Executive Mansion, April 22, 1874. Herewith I return Senate bill No. 617, entitled "An act to fix the amount of United States notes and the circulation of national banks, and for other purposes," without my approval.

(Signed)

U. S. GRANT.

At a recent meeting of the council of administration the following resolution was unanimously adopted, namely:

Resolved, That the bankers of the State of New York unqualifiedly disapprove of the provisions of the Aldrich bill; that they do not approve of a bond emergency currency; that they demand an elastic currency based on bank assets, as provided in the measure of the currency commission of the American Bankers' Association.

May I ask you to give me your views, saying whether you agree or disagree with the ideas above expressed. I inclose stamped envelope, and, awaiting your response, am,

Very truly, yours,

E. O. ELDRIDGE, Secretary.

THE MERCHANTS' ASSOCIATION OF NEW YORK,

February 15, 1908.

To Hon. WILLIAM SULZER,
House of Representatives.

DEAR SIR: We beg leave to call your attention to the inclosed report of our committee on bankruptcy and commercial law in condemnation of the Aldrich emergency currency bill, which report was accepted and approved by a unanimous vote of our board of directors.

We earnestly trust that, for the reasons set forth in the report, you will oppose the passage of the bill.

Respectfully, yours,

THE MERCHANTS' ASSOCIATION OF NEW YORK,
By S. C. MEAD, Secretary.

IN OPPOSITION TO ALDRICH CURRENCY BILL—REPORT OF COMMITTEE ON BANKRUPTCY AND COMMERCIAL LAW, THE MERCHANTS' ASSOCIATION OF NEW YORK—UNANIMOUSLY APPROVED BY THE BOARD OF DIRECTORS JANUARY 27, 1908.

To the board of directors of the Merchants' Association of New York.

GENTLEMEN: Your committee on bankruptcy and commercial law, to which was referred the subject of the reform of the currency laws, begs leave to report as follows:

Immediately after the subject came before the committee a careful and thorough study was undertaken, to which end conferences were held with Paul M. Warburg, esq., of Messrs. Kuhn, Loeb & Co., representing the central bank plan; Hon. Charles A. Conant, representing the plan of the currency commission of the American Bankers' Association; Victor Morawetz, esq., representing a plan for the extension of the clearing-house system; and Hon. CHARLES N. FOWLER, chairman of the Committee on Banking and Currency, of the House of Representatives.

As the result of our deliberations we present the following resolution, which has been unanimously adopted:

Resolved, That this committee on bankruptcy and commercial law disapproves Senate bill No. 3023, entitled 'A bill to amend the national banking laws,' introduced by Senator ALDRICH, for the following reasons:

"1. They regard as essentially unsound the principle embodied therein, that a currency should be based upon fixed securities of any description. The note issues as well as the deposits of a bank are obligations payable on demand, and the bank should hold as security against such liabilities nothing but quick assets, such as actual cash, secured notes payable on demand, or commercial paper liquidating itself at par at the end of a short period of months. It is no safe function for a bank of deposit or issue to invest assets held against demand obligations in long-term notes, bonds or mortgages, the conversion of which into cash in times of stringency can only be accomplished at sacrifice of the principal, if at all. The policy which might reasonably create an artificial market for the national obligations in time of civil war can not excuse an extension of the same favor to State or municipal bonds and railroad mortgages in time of peace.

"2. The high tax which this bill proposes to levy upon the issue of emergency currency, and which in the last analysis would be paid by the borrower to the banks, when increased as it would be in practice at least one-third by reserve requirements, is not only unnecessary but oppressive; and in this and other States would provoke an immediate disregard of the statutes against usury. It is not becoming that a great nation should fill its coffers from the necessities of borrowers; and it is manifestly improper to pass one law which offers inducements to the violation of another."

It is the unanimous opinion of your committee, as evidenced by the signatures hereto, that rather than accept legislation of the character of the Aldrich bill, which we feel in its ultimate results would be most disastrous to the commercial interests of the country, it would be preferable to have no legislation at all, in spite of the manifest necessity of some relief to the present intolerable situation.

We therefore in accordance with this resolution recommend that the association disapprove Senate bill 3023, known as the "Aldrich bill," and that it take steps actively to oppose the enactment into law of this or any bill passed upon these principles.

Your committee, which is continuing consideration and study of other measures, will render an additional report in the very near future.

Respectfully submitted.

IRVING T. BUSH,
THOMAS W. ORMISTON,
H. R. KUNHARDT,
G. E. ARMSTRONG,

EDWARD D. PAGE, Chairman.
MARCUS M. MARKS,
J. H. KILLOUGH,
E. A. DILLENBECK,
ABRAHAM BIJOUR,

Committee on Bankruptcy and Commercial Law.

HOW THE "CARDS," I. E., MONEY, ARE "STACKED" BY OPERATION OF NATIONAL LAW—NONPOLITICAL BASIS OF PREDATORY WEALTH, DISCONTENT AND SOCIALISM.

The Comptroller of the Currency is "charged with the execution of all laws relating to the issue and regulation of a national currency secured by United States bonds," and with general supervision of national banks.

Section 5191, United States Revised Statutes (act of June 3, 1864) formerly required every national bank to "at all times have on hand, in lawful money of the United States," at least 25 per cent, or 15 per cent, as the case may be, of the amount of its notes in circulation and its deposits.

Section 5192 provides that three-fifths of 15 per cent reserves "may consist of balances due to an association, available for the redemption of its circulating notes," from associations in designated cities, approved by the Comptroller.

Section 5195 provides that each association in any of the cities named in section 5151 ("other reserve cities," stated below) shall select

an association in the city of New York, "at which it will redeem its circulating notes," and may keep one-half of its lawful money reserve in cash deposits in the city of New York.

Act of June 20, 1874 (section 2), provides that associations shall thereafter "not be required to keep on hand any amount of money whatever by reason of the amount of their respective circulations;" but the moneys required to be kept at all times on hand shall be determined by the amount of deposits. Also (section 3) that every association shall at all times keep and have on deposit in the Treasury of the United States, in lawful money, "a sum equal to 5 per cent of its circulation, to be held and used for the redemption of such circulation; which sum shall be counted as a part of its lawful reserve." Also that so much of said national bank act "requiring or permitting the redemption of its circulating notes elsewhere than at its own counter, except as provided for in this section, is hereby repealed."

Act March 3, 1887, provides that whenever three-fourths in number of the national banks located in any city having a population of 50,000 shall make application to the Comptroller asking that the name of the city in which such banks are located shall be added to the list of cities named in sections 5191 and 5192, the Comptroller may grant such requests, and every bank located in such city "shall at all times thereafter have on hand in lawful money" an amount equal to at least 25 per cent of its deposits. Also (section 2) whenever three-fourths of national banks located in any city having a population of 200,000 shall make application asking that such city may be a central reserve city, like the city of New York, in which one-half of the lawful money reserves of banks located in other reserve cities may be deposited, as provided in section 5195, such requests may be granted. And that every bank located in such city "shall at all times thereafter have on hand in lawful money," 25 per cent of its deposits.

Only Chicago and St. Louis banks have availed thereof.

Act of March 3, 1903, provides: That whenever three-fourths of banks located in any city having a population of 25,000 shall make application asking that the name of the city in which such banks are located shall be added to the cities named in sections 5191 and 5192, such requests may be granted, and every bank located in such city "shall at all times thereafter have on hand in lawful money" 25 per cent of its deposits.

The foregoing synopsis shows that the laws governing and regulating national-bank reserves, from first to last, and as late as March 3, 1903, require the reserves to be at all times kept "on hand in lawful money." The permission in section 5192 that three-fifths of 15 per cent reserves may consist of balances due from associations in designated cities, and in section 5195 that each association in designated cities may keep one-half of 25 per cent reserves in cash deposits in New York (now also in Chicago or St. Louis), were apparently intended to provide for redemption at such cities of circulating notes, and not to nullify the repeated demand of law above quoted, by enabling loan and disbursement of 75 per cent of such deposits. The requirement to so redeem was repealed by act of June 20, 1874, section 3, as above quoted.

The total of deposited reserves was less than \$100,000,000 up to 1898, but has rapidly increased as follows from official reports:

September 20, 1898	\$94,394,210.64
September 7, 1899	154,514,691.61
September 5, 1900	176,731,918.08
September 30, 1901	216,763,488.34
September 15, 1902	253,515,055.97
September 9, 1903	227,780,147.03
September 6, 1904	258,558,149.91
August 25, 1905	291,732,471.82
November 9, 1905	294,250,607.92
January 29, 1906	295,941,972.45

An increase of over 200 per cent in seven years, amounting at the latter date to nearly one-half of all reserves required throughout the United States, except at "central" reserve cities. Trusts, financial juggles, and stock-exchange transactions have grown apace therewith, because 75 per cent of such deposited reserves is continuously available to foster same. Transactions in shares increased during these years over 300 per cent.

These indisputable figures mark the growth of a monetary discrimination, thereby supplanting natural economic conditions and just flow of money, under which a just share of prosperity would accrue to all the people.

Boston and Philadelphia national banks, these not being "central" reserve cities, constantly contribute one-half of their reserves to the Wall street money market by depositing same in New York banks to obtain interest thereon, because they can not lawfully loan same at home.

Boston banks thus lacked at home November 9, 1905, \$20,730,259.62. Philadelphia banks thus lacked at home November 9, 1905, \$33,598,623.25.

The act of June 20, 1874, as stated above, repealed the previous requirements to keep on hand 15 per cent or 25 per cent of notes in circulation and replaced same by a requirement to keep only 5 per cent thereof in the Treasury of the United States, "which sum shall be counted as a part of its lawful reserve" against deposits. But for this latter singular requirement the reserves deposited as stated would appear greater, as they really are, and on November 9, 1905, \$314,501,483.61, and January 29, 1906, \$316,782,814.88, instead of as above.

The designated cities are now as follows: "Central" reserve cities, New York, Chicago, and St. Louis.

"Other reserve cities"—Boston, Albany, Brooklyn, Philadelphia, Pittsburg, Baltimore, Washington, D. C., Savannah, New Orleans, Louisville, Houston, Dallas, Cincinnati, Cleveland, Columbus, Indianapolis, Detroit, Milwaukee, Des Moines, St. Paul, Minneapolis, Kansas City, Kans., Kansas City, Mo., St. Joseph, Lincoln, Omaha, Denver, San Francisco, Los Angeles, Portland, Oreg., Fort Worth, Dubuque, Wichita, Salt Lake City, Cedar Rapids.

"Country banks." Under this head are included banks of the following cities of 100,000 to 350,000 population, viz: Buffalo, Newark (N. J.), Jersey City, Providence, Rochester, Toledo, Allegheny, Worcester, Syracuse, New Haven, Paterson, Fall River, Memphis, and Scranton. Also banks of 112 cities below 100,000 population and over 25,000 and of all smaller cities, etc.

The 283 banks in 35 "other reserve cities," as above, though themselves reserve agents for "country banks," are permitted to deposit in banks of New York, Chicago, or St. Louis one-half of their own 25 per cent reserves.

The greater proportion of deposited reserves is with banks in New York City. Such money, being subject to recall by banks depositing same, is mainly loaned "on demand" and short-time loans to bankers and members of the New York Stock Exchange. Originally disbursed by national banks, it has begotten loans also by State banks, trust

companies, etc. *The reserves disbursed at New York average more than \$100,000 for each of 1,100 members of the stock exchange; and estimating by the proportion of loans and discounts in all banking institutions in New York to their total cash held, each \$100,000 cash maintains more than \$500,000 in loans.* Thus over \$500,000,000 in loans have been unnaturally and unjustly provided to enable corporate capitalizations to be toyed with, "watered," and "floated" by stock-exchange methods, the total of loans November 9, 1905, by all banking institutions in New York on stocks, bonds, etc., being over a billion dollars. The borrowings of single firms to carry stocks for their customers sometimes amount to upward of \$10,000,000.

Means, opportunity, and incitement have been thereby provided for people of small means to risk their all on narrow margins, and for money dealers and the already rich to exploit the railroads, industries, and products of the country, by trusts, mergers, combines, corners, and false capitalizations, for their further enrichment.

Clearing-house returns from 105 cities in the United States show that those at New York alone, owing to unnatural conditions and stimulated stock-exchange transactions, amount to far more than all the rest combined. (Financial Chronicle.) The manager of the New York Clearing House estimates them at 68 per cent of all.

Single memberships of the stock exchange have recently sold as high as \$93,000.

Money in circulation was below \$14, equivalent of gold per head of 35,000,000 population at the close of the civil war in 1865, and is now over \$30 per head of 80,000,000 population. *The natural flow of so great an increase should have furnished the only source of surplus supply to the money market.*

The business of the stock exchange consists mainly of hazards, which are essentially bets as to the future of prices, and so akin to gambling that they should never receive the support of national law. But what a departure from just and equal laws do we behold! About \$30 of money exists per head for the people at large, but under operation of the national banking law there stands subtracted therefrom an average of \$100,000 or more per head for each of 1,100 members of the stock exchange. So that the stock exchange has the support of discriminative national law. *What wonder that its progeny of corporations and fabulous capitalizations dominate the country.*

Some classes of corporations are under rigid supervision, State or national, and can have no watered shares. Others, organized for transportation, communication, illumination, or production of constant necessities to family and business life, are not so controlled. Shares, and sometimes bonds issued by these, are greatly watered at will of those who organize or control them. Why this distinction between creatures of law? Lax and varying State laws are availed of for organization and false capitalization, because national law by unnatural concentration of money furnishes means to accomplish the wrong.

Thus exist two ways of acquiring capital: One for the incorporated few who can avail of unrighteous law for quick enrichment, the other for the great body of people not incorporated, who must toil for dollars, and live frugally, if they would accumulate even for "rainy days" or their declining years.

Artificial persons, i. e., corporations, or those who control them, should never have been permitted to assume or usurp acts and proceedings which natural persons, however numerous associated, can never collectively exercise; for the creator is thereby made secondary and tributary to the creature.

To print and issue false tokens of single dollars is to counterfeit. And they who do it are condemned to imprisonment. To print and issue false tokens of capital or multiplied dollars, in limitless amounts, is to finance. And they who do it, and gain most thereby, are lauded as ablest exemplars of success among men.

True capital is the friend and ally of labor of every class and grade, but false capital thus fastened upon corporations is its oppressor, and has estranged them, for the body of capital seeking income has been unnaturally and enormously increased thereby, enabling selfishness and greed to tax, oppress, and defraud the people.

The Interstate Commerce Commission finds that the interstate railroad system of the country is owned by much less than one-half of 1 per cent of the population. Congress is legislating to prevent favoritism and wrongs in their operation. But it can not be curative of the underlying wrongful cause enabling most of this unnatural and concentrated ownership, viz., *unnatural concentration of money, and credits built thereon. Better no compulsory reserves whatever than their wrongful disbursement and use at favored localities.*

The permissions enabling reserves to be deposited and loaned have converted the plain demand of the law as quoted above to its very opposite, and instead of being faithfully held for the only justifiable purpose of law in compelling the money to be withheld from local public use, viz., *to protect depositors*, they are made a tender for speculative money supply and basis for illegitimate ventures.

The high protective tariff has long been a bone of political contention, and Democrats denounce it as father of the trusts. But unnatural and lopsided distribution of money reserves and credits based thereon has been the *nourishing mother* of their great watered capitalizations.

A veritable hotbed for corporate syndicates, mergers, trusts, "corners," and monopolies has been thus provided, individual competition and opportunity thereby throttled and destroyed, and small industries of the many made profitless.

Even unnatural excesses in life insurance are traceable thereto. Rich indeed is our country and great its seeming prosperity. But multimillionaires, and their colossal fortunes acquired as by a magician's wand, attest national injustice to be their foundation.

The plain intent and implication of law was, and is, that the reserves should be maintained sacred and unimpaired for the purpose for which they are everywhere compelled to be withheld. *Nowhere does there exist direct permission for loaning any portion of same.* Section 5192 implies the contrary by indicating special deposits. It is a monstrous travesty upon just law that thus (as on November 9, 1905) compels money to be continuously withheld by 5,770 banks throughout the country, and its use thereby denied at any of such 5,770 banks, to be afterwards concentrated and 75 per cent thereof loaned at 63 (practically fewer) other and favored banks.

Whether it be attributed to unjust and unequal law, or (with great reason) to its faulty execution, such is its practical operation, and the Government is thereby responsible for the baneful results.

What means the plain injunction of law, frequently repeated, that banks must "at all times" have their reserves "on hand in lawful money?"

What more effective method could be devised to enable flotation of excessive watered capitalizations, which have been an invariable purpose in creation of monopolistic trusts and corporations, railroad

and industrial, and from which have resulted towering aggregations of predatory wealth which exact tribute by great incomes and absorb just earnings?

The great natural law of demand and supply, which alone should regulate the ebb and flow of the tide of lawful money, has, by permitted use of the reserves at favored cities, been overridden in favor of the few and already rich who could avail of such use. And the ocean of money thereby provided has enabled limitless "graft" from the people by the deals, syndicates, and capitalistic juggles of "high finance."

Let it be clearly understood that the deposited reserves came from 5,770 banks throughout the United States, being all except 63 banks in central reserve cities; that by each of these 5,770 banks its portion was withheld from local use by command of law for the only justifiable purpose of such command of law, namely, as a money reserve; that such command of law is an absolute denial of the loan or use of any portion of same at the 5,770 points of origination of the vast total, and, therefore, that the permissions to deposit, whereby 75 per cent of such deposits are loaned, principally in Wall street, constitute a preference in law or its administration for the use of this proportion of the money volume of the country.

SUCH UNJUST DISTRIBUTION OF MONEY HAS PRODUCED, AND WILL CONTINUE TO PRODUCE, UNJUST DISTRIBUTION OF PROPERTY AND WEALTH.

In vain will righteousness and justice between man and man be consistently inculcated so long as this root of national unrighteousness and injustice continues to widen disparities and ripen its fruits of predaceous wealth and luxury on the one hand, and hard conditions of living and progress in the world on the other.

Substantial repeal of the permissions was recommended by Comptroller Dawes in his annual report December, 1900, to Congress, in which he discussed the danger, which had made itself apparent years before, of continuing the practice. Even a gradual repeal or correction, first making it apply only to Philadelphia and Boston banks, would probably distress Wall street. But there is a consideration more important to the people of this country than regard for stimulated Wall street prosperity, viz.: *Equal laws and public justice, especially regarding the supply of money, which is the basis of credits, life blood of all undertakings, and measure of all values. Otherwise liberty fails and becomes a sham.*

National legislators especially, and American citizens everywhere, should understand that national law furnishes exclusive meat to fatten financial Cæsars.

O. H. SCHREINER.

BROOKLYN, N. Y., March, 1906.

MR. LANGLEY. Mr. Chairman, in view of the prophecy which the gentleman from Missouri [Mr. HAMLIN] has just made as to forthcoming political events, I address the House with some trepidation. It is not my purpose to indulge in a discussion of political questions now, not that I would not be glad to do so, but because I prefer to discuss questions that are germane to the pending bill. For the time being we have had, I think, enough discussion of the tariff question and other political questions, and we have certainly had enough quotations from the Bible by the gentleman from Missouri [Mr. HAMLIN] to meet the spiritual needs of the House for the day. I want to remind him, however, in reply to his remarks regarding the failure of the Republican majority to enact certain pension legislation, that every pension act that has been passed since the civil war has been passed by a Republican Congress, and that every vote that was ever cast in Congress during that period against pension legislation was cast by some gentleman who did not belong to the Republican party and practically all of them by Democrats.

Mr. Chairman, no one can justly accuse the United States Government of not having dealt in a spirit of the broadest liberality with its soldiers and sailors, their widows and dependents. The latest statistical abstract shows that up to and including the year 1906 this Government had paid for pensions the startling sum of nearly three and a half billions of dollars. Add to that the amount paid during the fiscal year ended June 30, 1907, and the amount that will have been paid by the close of the current fiscal year, and we have the gigantic total of nearly three billions eight hundred millions of dollars that this Government has paid out for pensions. This is an exhibit unparalleled in the history of nations. And yet, Mr. Chairman, in spite of this splendid record there are some inequalities, some elements of injustice, in our pension system, that ought to be eliminated—some laches that ought to be remedied. To these I desire to address myself briefly to-day.

First of all I invite attention to the class of soldiers referred to by the gentleman from Missouri [Mr. HAMLIN], the militiamen of certain States, particularly the border States, who have not been provided for, but who are more entitled to pension than are thousands of those already on the rolls. In a great many instances, at least, these militia organizations were enlisted by authority of the United States, and although they were never mustered into the service of the United States, they cooperated with its armed forces and rendered actual and valuable service in the suppression of the rebellion. In my own State of Kentucky several battalions were organized and placed at the disposal of the Federal authorities and under the command of Federal officers, and in obedience to their orders often went beyond the confines of the State. They did guard

duty at bridges, on railroads, and with wagon trains, undergoing great exposure and many hardships. I could give the names of scores of these men who, by order of Federal officers, took push boats up and down the Big Sandy River, carrying supplies to the Union forces, and who, while engaged in the performance of that duty alone, rendered more arduous, more hazardous, and more valuable service to the Union cause than thousands who have title to pension under existing law.

These Kentucky militiamen served side by side with the soldiers of the Regular and Volunteer Armies of the United States. Many of them were killed in battle, many were made prisoners of war, and many contracted disabilities and received wounds and injuries in the line of duty. In fact, Mr. Chairman, I know personally that a great many of them did not understand their exact military status, believing that they were regularly in the service of the United States, and I know also that a great many of them were still under that impression until a great many years after the war had closed.

There is another reason, Mr. Chairman, why these Kentucky militiamen are entitled to the special consideration of the nation. It is a matter of history that at one time a supreme effort was made by the Confederate authorities to wrest Kentucky from her allegiance to the Union, and I believe it is generally conceded that but for these militia organizations that effort would have been successful. If it had been, who can tell what effect that action might have had upon her neighbor States, or, for that matter, upon the Union cause itself? I do not believe that you gentlemen of the North are lacking in appreciation of the service that was rendered the Union cause in these border States, but I do believe that you do not fully understand the conditions under which these men rendered that service. It meant something, Mr. Chairman, to be loyal to the Union there in those days—much more than it meant in the hills of New England. It meant ostracism—social and political—in many sections of these States, and sometimes worse even than that. If you would read Speed's History of the Union Cause in Kentucky, I do not believe that a single one of you would oppose the passage of a bill for the relief of these militiamen.

The United States Government has, in a measure, recognized its obligation for their services by reimbursing the States for their expenses in that connection, but it has not given the men themselves the pensionable status to which, in justice and equity, they are entitled. When I say that the service which these militiamen rendered to the Union cause entitles them, in justice and equity, to a pensionable status, I challenge any gentleman on this floor successfully to refute the statement.

I introduced a bill at this session for the purpose of providing a pensionable status for this long-neglected class of the Union's defenders. That bill is now in the hands of the Committee on Invalid Pensions. I prepared it after a most thorough consideration of the whole subject, and in doing so I was aided by the ten years' experience I had as an examiner in the Pension Office and as a member of the board of pension appeals. The bill referred to is as follows:

[H. R. 16095, Sixtieth Congress, first session.]

A bill to extend the provisions of the pension laws to officers and enlisted men of State military organizations who rendered military service to the Union during the war of the rebellion, and to their widows, minor children, and dependent parents.

Whereas the officers and enlisted men of military organizations of certain States who, while cooperating with the armed forces of the United States and acting under the command of United States officers, rendered actual and valuable service to the cause of the Union during the war of the rebellion and aided in its suppression; and

Whereas such officers and enlisted men and their widows, minor children, and dependent parents are barred from the benefits of the pension laws solely for the reason that such officers and enlisted men were never actually enrolled and mustered into the service of the United States: Therefore

Be it enacted, etc., That any officer or enlisted man of a State military organization who rendered service of the character set forth in the foregoing preamble and who is disabled by reason of injury received or disease contracted in the line of duty while rendering such service, and the widows, minor children, and dependent parents of any such officers or enlisted men dying of such injury or disease, shall be entitled to the benefits of the provisions of the pension laws embodied in Title IV of the Revised Statutes of the United States.

SEC. 2. That the provisions of the act approved June 27, 1890, entitled "An act granting pensions to soldiers and sailors who are incapacitated for the performance of manual labor, and providing for pensions to widows, minor children, and dependent parents," and of the amendments thereto, be, and the same are hereby, extended to such officers and enlisted men of the State military organizations referred to in the foregoing preamble who rendered service of the character therein set forth for a period of ninety days or more, and to their widows, minor children, and dependent parents.

SEC. 3. That the provisions of the act approved February 6, 1907, entitled "An act granting pensions to certain enlisted men, soldiers, and officers who served in the civil war and the war with Mexico," be, and the same are hereby, extended to the officers and enlisted men of State military organizations who rendered service of the character set forth in the foregoing preamble for a period of ninety days or more.

SEC. 4. That the Secretary of the Interior shall prescribe rules and regulations governing the character of evidence necessary to prove the

service herein set forth: *Provided*, That a certificate of the adjutant-general of the State to which the military organizations belonged, showing the date of discharge therefrom, shall be accepted in lieu of the honorable discharge required by the provisions of the acts referred to in sections 2 and 3 of this act: *And provided further*, That the provisions of this act shall not apply to the case of any officer or enlisted man in which the evidence discloses any fact that would have barred him from an honorable discharge had he been in the military service of the United States at the date of his discharge from such State military organization.

Mr. Chairman, this bill does not go as far as I think it ought to go, nor as far as Congress will, in my judgment, ultimately go; but my purpose in framing it was to limit its provisions to cases which differed from those which are now pensionable only by reason of the fact that these militiamen were never mustered into the service of the United States. In every pension law that Congress has enacted the primary consideration has been the service rendered the nation. That is what this bill is based on. It merely extends the provisions of the general pension laws embodied in Title IV of the Revised Statutes to cases in which wounds or injuries were received or diseases contracted while these militiamen were thus rendering service to the United States under the command of its officers, aiding in the suppression of the rebellion, and extends the provisions of the acts of June 27, 1890, and February 6, 1907, to the cases wherein such service was rendered for a period of at least ninety days. If any gentleman on this floor can offer a valid reason why such a law as this should not be enacted, I would like to know what that reason is.

There is nothing novel, Mr. Chairman, in the proposition to give these militiamen a pensionable status. On the contrary, the recognition of the service of the militia soldier is coincident with the Government of the United States itself. Our first President strongly urged that pension be granted to all classes of soldiers, no matter whether regular, volunteer, or militia, the only consideration being that actual and loyal service had been rendered against the common enemy. The act of April 10, 1806, provided pensions for all soldiers, including the militia, and the act of April 12, 1816, granted pensions to rangers, volunteers, militia, and sea fencibles called into service during the war of 1812. The acts of March 16, 1802, and of August 2, 1813, gave half pay to the widows and minor children of men who served in the militia, and the act of July 4, 1836, extended these provisions to the widows of soldiers and militiamen who had died subsequent to April 20, 1818.

Coming down to later days, we find that Congress, by the act of March 25, 1862, provided pay, bounty, and pension for the Missouri Home Guards; and still later, Congress, by the act of February 15, 1895, made the same provision for the Missouri State Militia and the Provisional State Militia.

There being abundant precedent for pensioning militiamen who rendered service to the United States, why not pension these who rendered such valuable service in the suppression of the rebellion? I can only account for the failure to do so thus far on the theory that some gentlemen are fearful that it will entail too great an expense upon the Government. I beg to state that such apprehension is not well founded. There were only a few thousand of the men who rendered this kind of service for a period of ninety days, and not many could prove service origin of their disabilities. Nearly half a century has passed since that time, and most of them have joined their comrades on the other side of the river. Only a remnant is left to which this bill will apply. It would not open the pension gates very much wider; it would not impose any considerable additional burden upon the United States Treasury. But even if it did, these men helped to defend and preserve the Union and to make it possible for us to be the great and powerful nation we are to-day. We can not be too liberal with them. Above all, it would be a just recognition of a class of men who have already been too long neglected. The saving of a few million dollars each year should not outweigh these considerations.

The distinguished gentleman from Ohio [Mr. SHERWOOD], who has been pleading so eloquently here for the old veterans, called the attention of the House recently to the fact that over half of the \$20,000,000 that will be expended annually under the act of February 6, 1907, will go to men who served ninety and one hundred days. Many of these were never in a battle and some of them never left the State in which they were enlisted.

Mr. GARDNER of Michigan. Mr. Chairman, may I interrupt the gentleman?

Mr. LANGLEY. Certainly.

Mr. GARDNER of Michigan. I do not think the gentleman wants to go on record permanently with the statement that not half of the men who were enlisted for, and served, ninety or one hundred days, ever left the States in which they were enlisted.

Mr. LANGLEY. If the gentleman from Michigan will permit me, what I said was that the gentleman from Ohio [Mr. SHERWOOD], in a recent speech in this House, made that statement. Personally I have never investigated the question far enough to be able to say on my own responsibility that what he said was true; but I recognize him as one of the distinguished representatives of the old veterans who has made a thorough investigation of the question, and I was simply quoting his statement. It seems to me that the time the statement was made by him on the floor was the time to challenge if it was not correct.

Mr. GARRETT. Is the gentleman sure that the gentleman from Ohio stated that? Are you stating it from hearing it or from the print?

Mr. LANGLEY. The gentleman from Ohio made the statement that approximately twelve of the \$20,000,000 that will be expended annually under the act of February 6, 1907, will go to the ninety and one hundred day men.

Mr. GARDNER of Michigan. That is it; did he?

Mr. LANGLEY. And then I said that many of these—I do not say the majority of them—I said many—were never in a battle and some never left the State in which they enlisted.

Mr. GARDNER of Michigan. I understood you to say half.

Mr. LANGLEY. I did not intend to say half. The gentleman from Ohio made the statement—

Mr. GARDNER of Michigan. That was the point of my contention. I understood the gentleman to say that half of these soldiers never left their States.

Mr. LANGLEY. I said many of them did not.

Mr. GARDNER of Michigan. It is clearly an error. The gentleman did not mean to be understood that way.

Mr. LANGLEY. That is right; I did not.

Mr. BEALE of Pennsylvania. Mr. Chairman, I do not understand that it is a question about one-half or any part of these men to whom he referred that never left the State in which they enlisted.

Mr. LANGLEY. All I intended to say was—

Mr. BEALE of Pennsylvania. As I understand it, it was not necessary to suppress the rebellion for many of the men who went into the Army to leave the State in which they were born and enlisted.

Mr. GARRETT. It took lots of them to do it.

Mr. BEALE of Pennsylvania. I understand that. I am a Pennsylvanian, and I know that it was necessary for lots of them to do it; but I do not understand that that is in controversy at all.

Mr. LANGLEY. The point I was endeavoring to impress upon the committee, Mr. Chairman, is that a great many men who are now on the pension rolls rendered less service in the suppression of the rebellion than did these militiamen of Kentucky, Missouri, and other States. [Applause.] And I ask, why is it that they are not given a pensionable status if that is true? Personally, I do not care whether my bill or some other bill is passed. Several gentlemen of this House have agreed to go with me before the Committee on Invalid Pensions at an early date to urge that justice be done these men. Heretofore bills of that character have been consigned to eternal sleep in the committee to which they have been referred. I want to say now, whether I remain a Member of this House for a short or for a long period of time, I shall never cease my efforts and my appeals in behalf of these brave and patriotic men in Kentucky and elsewhere who helped to defend and preserve the Union until some legislation is enacted in their behalf. [Applause.]

Now, there is another element of injustice, in my judgment, in our present pension system. I refer to that provision of law as a result of which certain soldiers and their widows, minor children, and dependent parents are denied the benefits of the pension laws because these soldiers had a prior Confederate service or had aided or abetted the rebellion. Gentlemen well know that in certain sections of the country there were a great many men who were conscripted into, or by force of circumstances enlisted in, the Confederate service when their hearts were not with the cause, and that there were others who, although at the time they aided or abetted the rebellion or enlisted in its service believed that they were right, afterwards decided that it was their duty to help defend the Union, and who therefore enlisted in the Union service as soon as they could; and it is also a well-known fact that in States like Kentucky, North Carolina, and others that I could mention men very often made efforts for months before they could get through the lines to enlist in the service of the Union. When these former Confederates did finally enlist in the Union Army they rendered good and faithful service from then to the close of the war or until they lost their lives or were sent home on account of disability

resulting from such service. Section 4716 of the Revised Statutes prohibited the payment of pensions to such persons or to their widows, children, or heirs. By the acts of March 3, 1877, and of August 1, 1892, this bar was removed in cases where the soldier while in the service incurred disability from wounds or injury received or disease contracted in the line of duty. By the joint resolution of July 1, 1902, the bar was removed, except as to the cases of persons who did not enlist in the Union service until after January 1, 1865. There is no difference between the case of a former Confederate soldier who afterwards entered the Union service on December 31, 1864, and the one who did not do so until after January 1, 1865. There is no point at which the line can justly be drawn.

These men not only risked their lives upon the battlefield and endured all the hardships of Army service to aid the Union cause, but they took the additional risk of being subjected to extreme cruelties, and even of being executed, in the event of their capture by the Confederates. The ban of disloyalty because of having voluntarily engaged in or aided and abetted the rebellion has been removed from every other class of our citizens. The men who fought in the Mexican war and afterwards on the side of the Confederacy have been given a pensionable status, and the same has been done for those who served in the Indian wars and in the war with Spain. Then why retain the limitation fixed by the joint resolution of July 1, 1902? Doubtless it will be contended that it should be retained for the reason that those who enlisted in the Union Army after January 1, 1865, did so because they saw the Confederate cause was lost. But is it just that we should thus judge their motives? Besides, as a matter of fact, we know that there are hundreds of cases in which this was not true, and we know, too, that in States like Kentucky, Tennessee, Missouri, and North Carolina there were many men who were seeking an opportunity long before January 1, 1865, to get from the Confederate into the Federal lines, so as to enlist in the Union Army, but who, by reason of the conditions surrounding them, did not succeed in doing so until after that date.

These facts, Mr. Chairman, emphasize the injustice of the principle upon which section 4716 of the Revised Statutes was based, and I for one am in favor of purging our pension laws entirely of any provision which creates a bar to pension on that account. Speaking for my own State, I assert that there are now no more loyal, law-abiding citizens in it than the great mass of those who were on the side of the Confederacy. We in Kentucky have outlived the prejudices and passions of the war. We are a reunited people, all proud of our great State and working toward a common destiny, and I feel that I am speaking the unanimous sentiment of my people when I state that this blot upon our splendid system of pension laws should be wiped out. [Applause.] I have introduced a bill in this House for that purpose, and I hope to see it enacted into law.

There is still another class of former Confederates who afterwards served in the Union Army who are barred from the pension rolls, although they rendered, I contend, just as efficient and faithful service to the Union as did many who have a pensionable status. I refer to the "United States Volunteers," which consisted of the First, Second, Third, Fourth, Fifth, and Sixth Regiments and the "First Independent Company."

It is a matter of history, with which gentlemen of the House are doubtless familiar, that most of the men of which these organizations were made up were deserters and refugees from the Confederate army and prisoners of war who had taken the oath of allegiance to the United States; that they enrolled themselves in the Union Army with the understanding that they were not to be sent to fight their former comrades in arms, among whom the great majority of them doubtless had relatives and friends; and that they were accordingly sent out for service on the frontier, although the records of the War Department show that a great many of them rendered other than frontier service after their enlistment in the Union Army. A number of these men were granted pensions pursuant to the construction which the Commissioner of Pensions placed upon the act of June 27, 1890, but this construction was afterwards reversed by the Assistant Secretary of the Interior, and, as a result, those who had been pensioned under the Commissioner's ruling were dropped from the rolls. The views of the Department, as a result of which these men are denied a pension under the act of June 27, 1890, and the act of February 6, 1907, are sufficiently indicated in the following quotation from the Assistant Secretary's decision of March 27, 1907, in the case of George W. Nelson:

It need not be argued at length that the purpose of releasing prisoners of war, of enlisting them "for frontier service," and of organizing them into regiments designated as United States Volunteer Infantry

was not with the design of employing them against their former comrades in arms. The fact that such was not the purpose of their enlistment is as apparent as the historical fact that they were not thus utilized as military organizations, but were exclusively employed in the Far West, in operations against the Indians, in the guarding of stage and mail routes, and in the protection of property, private and Government—a service rendered while the war of the rebellion was in progress (or, at least, near the end of it), but in utter irrelevance to it; a service which the conditions then existing would have required even though the civil war had never been fought.

When title to pension depends upon service in a certain war, two things are to be considered in determining the pensionable character of service—the purpose of enlistment and the nature of the service actually rendered. The latter, with few exceptions, is in pursuance of the former; indeed, it is of great probative force in determining the purpose of enlistment. When, therefore, it appears that a man enlisted "for frontier service" and was actually employed upon the frontier in a service entirely divorced, in character and in purpose, from the belligerent operations then in progress against a rebellious group of States—the "civil war" or the "war of the rebellion," by whichever term it may be or has been called—such a man can not be held to have rendered actual service in said civil war. And if title to pension depends upon service in said war, whether it be under the act of June 27, 1890, or the act of February 6, 1907, such a man has failed to show a pensionable status.

While these men did not take part directly in the suppression of the rebellion, they did render service in the United States Army during the war of the rebellion, and a character of service which, under the liberal construction that usually governs the administration of the pension laws, should be regarded as service in the suppression of the rebellion. If they had not rendered this frontier service, it would have been necessary to withdraw other regiments from the field for that purpose. I have had occasion to talk recently with several members of these regiments who reside in my district, and they have given me in detail the character of service they rendered, such as performing garrison duty, building forts, checking or suppressing Indian uprisings, guarding Government trains and wagons and telegraph lines, protecting the property of citizens and of the Government, and performing escort duty, protecting other Union troops in that locality, and so forth. Much of this service was just as essential to the success of the plans of the Union Army as was the service rendered by those operating directly against the enemy.

I do not think it just to exclude such cases from the provisions of the pension laws, and if the Department has correctly interpreted the language of the present law, which I seriously doubt, the law should be amended.

I have recently received a letter from an ex-Union soldier and former Confederate which gives point to what I have said, in that it shows the difficulties which some men who deserted the Confederate service in order to join the Union Army encountered in their efforts to do so, and illustrates the injustice of the limitations now embodied in the law. I will read a portion of this letter, substituting, for obvious reasons, fictitious names for those mentioned by the writer:

On January 3, 1865, one of the most cunning and daring mutinous plans ever concocted and carried to a successful termination that has happened in this, or in any other locality in this Southland, was committed. Nick Carter's novel writers could not do the story justice. It is a matter of history that there were Confederate prisons at Salisbury, Andersonville, and Columbia where Union prisoners were kept and from which some made their escape. As is known, there was a Third North Carolina Regiment in the Union Army which sent out recruiting officers. Thirty of these officers, from the prisons and also the regiments, were captured, and the jail at Asheville was full of them. Captain Smith, of an adjoining county and of Company C of that regiment, together with three or four other recruiting officers, were under sentence of death and were to be shot on January 5.

The rebel garrison at Asheville, under General Palmer, was about 1,000 strong. Early in December, 1864, one William Jones, of the Second North Carolina Regiment, who was our hero, came back and joined the Confederate forces where he knew men and had kinsfolk as noncommissioned officers, with whom he conspired to release the prisoners who were in the jail and stockade, and they were to make their way direct as they could to Knoxville, Tenn., where the Third North Carolina was to be completed. Three hundred of the garrison agreed to Jones's plan. They were all to arm themselves with the best guns and plenty of ammunition and provisions—January 3, 12 o'clock midnight—and meet at Smith's bridge over the French Broad River. B. F. Brown, Thomas Brown, Sam Roberts, Jim Brown, and some others of the conspirators were so arranged that they fell on the guard at the jail and prison stockade, while still others were put on picket post at the bridge. These guards swapped places with other guards, and at a given time the jail doors were opened, likewise the stockade prison; consequently, over 100 Union soldiers smelled fresh air for the first time in a good while. At the time appointed 300 Confederates with 100 prisoners were on the road to Knoxville. They were followed next day by rebels and overtaken 18 miles from Asheville, in the Spring Creek Mountains, where they fought all the afternoon, when several were killed, some wounded, some captured. The balance made their escape, finally reaching Knoxville, where some joined the Third North Carolina, some other regiments, just whichever regiment they hit first. Jones enlisted these men in December, 1864, but their enlistments were counted from the time their names went on the rolls, subsequent to January 1. Some of these scattered soldiers did not reach their regiments till probably March; others were taken by our men as prisoners and sent west of the Ohio River against their protests. Now, these men, who probably served four, five, or six months, are barred from a pension because their names did not go on the Union rolls until after January 1, 1865.

A similar scheme was laid by Anton Fritz, Bill Fritz, Harry Rogers, and twenty more of the garrison at Hendersonville, N. C., who dropped behind on a march, hit the woods, rushed ahead of the rebel troops who were on a raid for Union men, and gave battle to Gen. Ball Edney, killed him and others of his troops, and made their escape across the lines to join the Second and Third North Carolina, only to be taken by our men and sent across the Ohio River after being sworn into the service by John Rogers, who was a regular recruiting officer.

Now, Mr. Chairman, how can it be contended that any of the men who participated in these daring exploits, and who subsequently served in the Union Army, no matter where, have not an equitable title to pension?

There is still another class of soldiers who are unjustly denied a pension. I refer to those who are charged with desertion because of their failure to return to their commands, when as a matter of fact they had no more intention of deserting than had the bravest and most patriotic soldier of the Union. They can not have the charge removed under existing law, because the conditions upon which this law authorizes that action do not exist in their cases. Scores of cases have come to my personal attention wherein the soldier was sent on detached duty on verbal orders not recorded, or was granted a furlough, and was prevented by illness from returning to his command, or was cut off by the enemy or surrounded by other conditions which made it impossible for him to return; and I know of some cases in which they were prevented from returning by reason of their capture and confinement in rebel prisons. And yet they were charged with desertion, which charge still stands against them. Now, when they apply for the removal of the charge, they are met with an impossible requirement—proof that their failure to return was due to disability contracted in the service and line of duty.

It may be suggested that instead of amending the law relief should be had in such cases by special act; but gentlemen who have undertaken this know that it has been impossible for several years to get Congress to pass such an act. What Congress ought to do is to amend the law so as to empower the Secretary of War to remove the charge of desertion when it is satisfactorily shown that the soldier was unable, from any reasonable cause, to return to his command and be discharged. The charge of desertion is a very grave one and should not be retained upon the record against any soldier except upon proof most positive that it was justly made. I do not contend that the record made at the time by those charged with that duty should be lightly cast aside; but it is a fact which can not be refuted that the charge was often too carelessly made, and sometimes wholly without justification. If the laws governing the removal of the charge of desertion were amended so as to give the soldier the benefit of the reasonable doubt that is given in cases of offenses less serious than that of desertion, and if these laws were then construed according to the rules applicable to penal statutes, it would result in giving a pensionable status to many hundreds who are now unjustly deprived of it.

Thus far, Mr. Chairman, I have confined myself to a discussion of some of the elements of injustice which, in my judgment, based upon a careful study of and long experience in the administration of the pension laws, still exist in those laws.

I beg the indulgence of the committee now for a few moments while I advocate a more liberal pension law for all of the old soldiers.

The gentleman from Ohio [General SHERWOOD] has been advocating the passage of a bill which he introduced, providing that all soldiers of the civil war who served eighteen months at the front shall have a dollar a day pension. I am willing to go even further than that. I have introduced a bill providing that all who served ninety days in the suppression of the rebellion, including militiamen, shall have that rate of pension. Indeed, I would be glad to see the period of service required fixed at even less than ninety days. Suppose it would increase for the time being the annual appropriation for pensions. Are not the men who helped to save this Union entitled to the most liberal treatment at our hands? It is our duty to provide a rate of pension which will be sufficient to keep them comfortable and relieve them of the necessity of performing manual labor in their old age.

In view of the fact that there appeared to be so much opposition to giving all veterans a dollar a day, I introduced another bill, which is now before the Committee on Invalid Pensions and which fixes the rates as follows:

Fifteen dollars per month at 60 years of age;
Twenty dollars per month at 65 years of age;
Twenty-five dollars per month at 70 years of age; and
One dollar a day at 75 years of age.

While I would prefer that they should all get as much as a dollar a day, this bill would be much better than the present law, under which the great majority of them can only receive \$12 per month, for the reason that they have not yet reached the age of 70 years, at which time they will be entitled to the fifteen-dollar rate. Twelve dollars a month! What does that mean? It means 40 cents a day—less than a great many of you pay for your luncheon—and yet you expect the old veterans with their disabilities, finding powerful allies in the infirmities of age, to support, clothe, and feed themselves and families upon this pittance. I for one am in favor of making our pension laws more liberal for the old veterans, whether they served eighteen months at the front or a less period of time.

I would not seek to detract in the least from the credit due the men who rendered the longer periods of service, but I think we have reached the point where we can afford to waive that question. I am sure that no veteran whose case is covered by this eighteen months' service bill would begrudge a single dollar that would be paid to those who rendered the shorter periods of service if they were allowed the same rate of pension.

I am also in favor of making an extra allowance to those who, in addition to undergoing the hardships of Army life, had to endure the suffering and horrors attending confinement in rebel prisons. I have introduced a bill for that purpose. The enactment of this bill would not involve the expenditure of a very considerable amount of money, and I am still hopeful that some measure of this kind will be passed. The bill reads as follows:

[H. R. 16094, Sixtieth Congress, first session.]

A bill for the benefit of Federal soldiers and State militiamen who were confined in Confederate military prisons during the war of the rebellion.

Be it enacted, etc., That any Federal soldier, or any member of a State militia organization cooperating with Federal troops, who, while engaged in the suppression of the rebellion, was captured by the enemy and confined in any Confederate military prison, shall be paid the sum of \$2 for each day he was so confined in such prison; and in case of his death the payment shall be made to his widow if she has not remarried.

Sec. 2. That the Auditor for the War Department be, and he is hereby, directed to carry out the provisions of this act under such rules and regulations as the Secretary of the Treasury may prescribe.

I also desire to place myself on record as favoring still more liberal pension laws for the benefit of the soldiers and sailors of the Spanish-American war, and I would gladly avail myself of an opportunity to vote for a bill extending to them the benefits of the act of June 27, 1890, so that those who are unable to earn a support by manual labor could receive a pension, even though they could not prove that their disabilities were contracted in the service.

Gentlemen who view with alarm any suggestion of an increase in our pension appropriation should remember that, so far at least as it relates to the veterans of the civil war, it would only be a temporary increase.

I will insert in the RECORD the following table, showing not only the different classes of pensioners on the rolls, but, what is more to the purpose, the havoc that the Great Reaper is making in the ranks of the pensioners each year:

Pensioners on the roll June 30, 1907, and June 30, 1906.

	1907.	1906.	Gain.	Loss.
Revolutionary war:				
Widows.....		1		1
Daughters.....	3	3		
War of 1812:				
Widows.....	558	600		102
Indian wars:				
Survivors.....	2,007	2,173		166
Widows.....	3,201	3,367		166
War with Mexico:				
Survivors.....	3,485	3,984		499
Widows.....	7,214	7,488		274
Civil war:				
General law—				
Invalids.....	173,816	205,375		26,559
Widows.....	75,629	78,810		1,181
Minor children.....	509	602		63
Mothers.....	4,578	5,519		941
Fathers.....	873	1,097		224
Brothers and sisters.....	224	205		19
Helpless children.....	489	479		10
Act June 27, 1890—				
Invalids.....	349,283	461,078		111,795
Widows.....	180,539	175,237	5,302	
Minor children.....	4,032	4,157		135
Helpless children.....	292	274		18
Act February 6, 1907.....	116,239		116,239	
Army nurses.....	543	579		37
War with Spain:				
Invalids.....	19,061	17,646	1,385	
Widows.....	1,100	1,094	6	
Minor children.....	316	298	18	
Mothers.....	3,000	3,061	29	
Fathers.....	527	512	15	
Brothers and sisters.....	11	9	2	
Helpless children.....	2	1	1	

Pensioners on the roll June 30, 1907, and June 30, 1906—Continued.

	1907.	1906.	Gain.	Loss.
Regular establishment:				
Invalids.....	11,076	10,648	428	
Widows.....	2,526	2,498	28	
Minor children.....	122	120	2	
Mothers.....	821	783	38	
Fathers.....	133	130	3	
Brothers and sisters.....	5	5		
Helpless children.....	8	8		
Total.....	967,371	965,971	123,543	142,143

Net loss, 18,600.

This table I want to supplement by the statement that during the fiscal year ended June 30, 1907, there was a decrease in the pension roll by death of 45,768. These figures are taken from the annual report of the Commissioner of Pensions. It is an entirely reasonable estimate that of this number not less than 40,000 were invalids, and most of these invalids of the civil war. The total number of pensioners on the roll at the expiration of the last fiscal year was, as you will note, 967,301, and the total number of invalids of the civil war on the roll at the same time was 528,099. If the total decrease by death be placed at an average of 30,000 a year only, which is a very conservative estimate, we shall have reached the end of that part of our pension list in less than twenty years.

These old veterans who fought for the Union are rapidly passing away. Three years from now a half century will have elapsed since the war in which they served began. It will be only a little while at the best that we shall be honored with their presence. With them the sun of life is fast sinking in the west. The hand of time bears heavier and heavier upon them as with feeble steps they approach the end. Would that I could have inscribed on the headstone that marks every old veteran's grave O'Hara's beautiful tribute to Kentucky's pioneers:

Rest on, embalmed and sainted dead!
 Dear as the blood ye gave;
 No impious footsteps here shall tread
 The herbage of your grave;
 Nor shall your glory be forgot
 While fame her record keeps,
 Or honor points the hallowed spot
 Where valor proudly sleeps.
 Yon marble minstrel's voiceless stone,
 In deathless song shall tell,
 When many a vanished year hath flown,
 The story how ye fell;
 Nor wreck, nor change, nor winter's blight,
 Nor time's remorseless doom,
 Can dim one ray of holy light
 That gilds your glorious tomb.

Let us, while we have the opportunity, make the evening of their lives as comfortable, contented, and happy as a nation's bounty and gratitude can make it, that they may realize before they go that we appreciate to the fullest the priceless heritage they are leaving to us. [Applause.]

Mr. BOWERS. Mr. Chairman, I now yield to the gentleman from Illinois [Mr. FOSTER].

Mr. FOSTER of Illinois. Mr. Chairman, from the beginning of time, in the language of the Bible, there have been "wars and rumors of wars." Some great names adorn the pages of the world's military achievements. Alexander the Great had conquered with force of arms the world of his time while he was yet a young man. Julius Caesar spread glory upon the banners of Rome by such splendid generalship as the world has seldom seen. Napoleon brought modern Europe to his feet with the might of his irresistible sword until his weapon was forever broken at Waterloo. [Applause.]

America has furnished some names that stand high in the record of martial accomplishments. Frederick the Great said that the operations of Washington in the Revolutionary war in his campaign of six weeks about Trenton were among the most glorious in the annals of military history. In our second war with Great Britain Commodore Perry cut down trees that grew along the shores of Lake Erie and in a few days made a fleet with which he conquered the enemy in one of the greatest naval battles of the world. In the civil war the first fight in the world between iron ships was fought at Hampton Roads in Virginia. This battle heralded an era in the naval warfare of the world and marked the end of wooden vessels of war. And to America therefore the world owes the modern battle ship of steel. [Applause.]

Although our civil war forms now a dark chapter in our national history, one that we all deplore, it nevertheless served to bring out some bright lights in the galaxy of military heroes. Grant, the silent, stolid, irresistible on the one hand, and Lee, the beneficent, gentle, farseeing on the other, form a pair of

generals that compare favorably with any of the great military commanders of history. And, again, the determined perseverance of Sherman in the North and the dashing bravery and at the same time the deep religious piety of Stonewall Jackson in the South add more luster to the triumphs of American military prowess.

But not to our generals alone is glory. The privates in the ranks—the men who marched with knapsack and musket—who endured the hardships of pestilence and hunger, who slept at night on the ground for a bed and with the canopy of the sky for a covering, who listened breathless for the sullen tramp of a midnight foe, whether they fought in the armies of the North or cast their lot with the fortunes of the South, are as brave as any soldiers who ever exposed themselves to the horrors of warfare. Tennyson asks of the English soldiery at Balaklava—

When can their glory fade?

But the glory of our American soldiers in the army of the North and in the army of the South is as enduring as the glory of the soldiers that the great poet has immortalized. And the battles of Shiloh and Cold Harbor and Gettysburg and the other mighty conflicts of the civil war gave birth to deeds as brave as any that occurred in the campaigns of the Greeks, the Romans, or the English. [Applause.]

We of Illinois feel a pardonable pride in the part our great State played in the tremendous days of the civil war. The great heart of Lincoln was nurtured on the wide and fertile prairies of Illinois. And to the actual ranks of the fighters Illinois gave Grant and that great volunteer soldier John A. Logan, besides the thousands of soldiers in the private ranks who fought as nobly and as bravely as ever soldiers fought. So, out in Illinois, we sing with a thrill of patriotic pride and recollection—

Not without thy wondrous story,
Illinois, Illinois,
Can be writ the nation's glory,
Illinois, Illinois.
On the record of thy years
Abram Lincoln's name appears,
Grant and Logan and our tears,
Illinois, Illinois.

[Applause.]

Mr. Chairman, it is true, as the gentleman from Ohio [Mr. KEIFER] has said, that this is the largest appropriation ever made by Congress for pensions. Yet I think there has been more need for larger appropriation than ever before. It is now more than forty years since the war closed, and these men are now all old and unable to engage in the active business of life, unable to perform any manual labor. Many of them have been crippled and diseased since they served in that great war and have been unable to accumulate much property, so that now they are unable to live comfortably unless the Government does help them with larger pensions, so as to furnish them with the necessities of life. I do not think that it is right that these men should be left without means of support in their declining years. Many of them are now gone and those who remain stand with one foot in the grave and soon the last shot will be fired over the last grave.

Let us not forget these men who did so much for our country. It is all right to erect beautiful marble shafts pointing heavenward to the memory of these brave soldiers, but let us first provide for their comfort while living. It has been the policy of all governments to care for its defenders, and we should not forget ours. These men were not trained soldiers, but volunteered to do what they believed to be right and for the interest of the whole country. While I would not detract one iota from the regular soldiers who were thoroughly trained and prepared for war, still it has been necessary to depend largely on the volunteer soldiers in time of need. I shall not discuss the cause of that great war, for it indeed was great. Our soldiers went into the South and there met those of their own kind, just as brave and as firmly convinced that they were right, fighting for what they thought was best. But there are none there now, I believe, who are not satisfied with the result. If it should be necessary to call for volunteers again, I am sure no more loyal men could be found than are now in the South. We are indeed a united country and the flag of the Union is to-day honored all over this country of ours alike. [Applause.]

A man in his declining years with a faithful, hard-working wife, in many instances being too poor to own his own home, and compelled to pay rent for the house in which they live, many of them so afflicted as to be compelled to have the assistance of another person to attend to their wants, can not live on the small pension they receive. I hope we will not forget the needs of this class of men and will give heed to their just needs.

Many of these soldiers never applied for a pension until they were too old to longer work to support themselves, so that now they can not secure proof of disability due to service. These men should not be placed in the attitude of begging, but should be taken care of as a matter of duty of our Government. I am sure out of the abundance of our country we can well afford to look after these men in their old age. [Applause.]

Early in this session I introduced two bills having for their object the increasing of soldiers' pensions. One providing for paying all soldiers who had served sixty days and were honorably discharged a pension of not less than \$30 per month. The other was an amendment to the act of February 6, 1907, so as to pay all soldiers who had arrived at the age of 62 years \$12 per month; those 65, \$15 per month; those 70, \$20 per month; those 75, \$25 per month, and those 80, \$30 per month. The act of February 6, 1907, was a step in the right direction, but, Mr. Chairman, in my opinion, it did not go far enough. I had hoped that Congress might pass this amendment if it was not thought best to pass the one paying \$30 per month.

The Pension Office is compelled to follow the law, and in the course of its execution has to be more or less technical, so, as a result, they are compelled to reject claims that ought to be passed.

In my judgment the present administration of the Pension Office is one of the best and most liberal ever had in all its history. I believe it is the desire to give as liberal a construction of the law as is possible in adjudicating the claims of soldiers, and yet it is necessary many times, I have no doubt, to refuse pensions to men who ought to receive either an original pension or increase of one already allowed. If any fault is to be found, it is not with the administration of the office, but that it is necessary to follow the law, which does not permit a more liberal construction.

It is true, Mr. Chairman, that this Government has been liberal to its soldiers of all wars, and the vast sum that has been appropriated from year to year has gone to relieve some veteran or his widow and children. I am sure that none of us regret that this money has been spent for this purpose. If such large appropriations must be continued for some years to come in order to relieve their wants and furnish them some comfort, I think it our duty to still do what we can for them. I hope that before this Congress adjourns there may be some more liberal law passed in the interest of the soldiers. [Loud applause.]

Mr. BOWERS. Mr. Chairman, I now yield forty-five minutes to the gentleman from Oklahoma [Mr. CARTER].

Mr. CARTER. Mr. Chairman, I do not desire to discuss a question of a partisan nature, but I want to call attention to a bill which I have introduced in this House and to present reasons as best I can showing the justice and necessity of such legislation.

This bill provides for the removal of certain restrictions upon the alienation of Indian lands in Oklahoma, and it shall be my purpose to show to this committee that these restrictions have proven in the past a constant and successful barrier to the progress and development of our State, a menace to the civilization and advancement of the Indian, and destructive of the very spirit of American liberty.

I do not rise for the purpose of criticising the acts of any man who has had to do with Indian affairs in the past. I have the highest regard for that able man who stands at the head of the House Committee on Indian Affairs, although I differ from him politically.

That mistakes have been made in handling the affairs of the Five Civilized Tribes in our State no one will dare gainsay. It is but human to err, and it is but natural that mistakes should have been made in settling conditions so anomalous as ours. So far as I am concerned, I am going to be generous enough to ascribe the cause of these mistakes to a misconception of the situation and to attribute such misunderstanding of the conditions to the dense and prolix complexities of the state of affairs with which these gentlemen were confronted.

I fully comprehend the many disadvantages that confront one in securing favorable consideration of a measure introduced by a minority Member. Without going into a discussion of the rules of the House, I will simply say that I understand it to be the policy of the majority to assume all responsibility for legislation, no matter which party is in power.

My remarks, however, should apply with equal force to a bill introduced by my colleague [Mr. McGUIRE], and I want to say just a word in regard to his bill. The McGuire bill is good enough, so far as it goes, but, in my opinion, it falls short of the legislation needed in Oklahoma to-day.

This bill must not be regarded as embodying the exact ideas

of the Oklahoma delegation. It smacks too much of paternalism for that. This measure should be regarded as representing the limit to which the Interior Department would agree to go at this time. It is the result of an agreement with that Department gives a great measure of relief, and for these reasons I shall give it my unqualified support, in the hope that if my bill fails, then the removal of restrictions provided for by the McGuire bill will prove so satisfactory that there will be no objection to adopting the provisions of my bill at an early day.

PRESENT CONDITIONS.

Of one thing I am morally certain, and that is this, if the gentlemen on the floor of this House only had a thorough understanding of the conditions in Oklahoma, if they could only see these conditions in their true light and as they really exist, there would be no occasion for the presentation of my remarks to-day, for I feel sure you would pass the bill which I have presented without opposition and with very little comment.

As you all know, we have a new State out there. Our predicament was deplorable enough before our admission, but with the advent of statehood and the many burdens that come therewith, the conditions on the east side of that State, in what has heretofore been known as Indian Territory, will soon become almost intolerable.

All the lands in Indian Territory originally belonged to the Indians composing the Five Civilized Tribes and were inalienable and nontaxable. Indians, I say, Mr. Chairman. As a matter of fact, they are not real Indians as you understand that term. A great majority of them are mixed-blood Indians, with a small degree of Indian blood. Others, white men who have intermarried into the tribe, and a great number, about 15,000 as I remember, are negroes, freedmen, former slaves of these tribes, who have had lands allotted to them, so that the actual Indian, the real full-blood Indian, only represents a very small minority of these people. But, getting back to the land question, I will say that there are about twenty million acres of these lands, all inalienable and all nontaxable. To be more accurate, restrictions have been removed on about three million acres of these lands, leaving a residue not of twenty million, but of seventeen million acres on that side of the State, all nontaxable, and on which permanent improvements and home building are absolutely prevented, for the reason that title can not be made on account of these restrictions.

Such lands as have had restrictions removed are distributed over many of the counties on the east side, but I understand that in some of the counties no restrictions whatever have been removed. All of the land is inalienable and not one dollar in taxes can be realized from same.

The major portion of these lands have never been improved or put in cultivation, therefore produce no revenue whatever to anyone. Many of the Indians owning such lands have no funds with which to improve them, and the most inconsistent and ridiculous part of the whole system is that this very class of Indians, who are too poor to build improvements on their lands, are prevented from leasing these lands for a longer period than one year. Now, what I would like to have explained to me is how, in the name of common sense, such lands are ever to be made productive under the present system? The Indian without funds to improve his land is prevented from having it improved by leasing. So I think it can easily be understood how this very class of Indians which are incompetent must retrograde under the present law.

These conditions, of course, make our State a most undesirable abode for the man with a worthy ambition to build and own a home of his own.

Many of our best citizens have emigrated within the last eighteen months, pulled up bag and baggage, and left the State entirely. Why? For no other purpose than to seek a location where they can own a home and improve it.

Within the radius of the trade of my home town, Ardmore, I understand that 50,000 acres of land which had formerly been in cultivation, lay out and produced no crops whatever last year. Every town and every commercial interest in our State has felt the baleful influence of these restrictions, and the Indian himself is the worst discommoded of all.

Our State is in its infancy. It is in the formative period, when it needs to draw upon every resource and every fiber at its command. We have no public, State, or county buildings on that side of the State. No court-houses, no jails, no school-houses, and no improved roads. As a matter of fact, outside of the towns you can not even acquire title on which to build schoolhouses under the present law. My bill will remedy all of these conditions completely, while that of my colleague will ameliorate conditions, to a large extent, though not giving complete relief.

Now, mind you, Mr. Chairman, not a member of the Oklahoma delegation asks that the full-blood Indian be molested in his last home, but we do ask that such Indians as are civilized and competent be allowed to manage their own affairs without interference from the Federal Government, and that the progress of our State be not further retarded by such senseless restrictions on the acts of intelligent people.

HISTORY.

In order to thoroughly understand the unfairness and the creation of these unjust inhibitions on the rights of my civilized fellow-tribesmen, it will be necessary to go back a few years and recount briefly the history of these erstwhile wards of Uncle Sam.

By way of explanation, I wish to say that the word "civilized" in the term "Five Civilized Tribes" is by no means a hollow and meaningless expression. The Indians composing these tribes have been subjected to the beneficent influence of Anglo-Saxon civilization for centuries, by education, by religion, by intermarriage, and by all other means of direct association with the whites.

This very term, "Five Civilized Tribes," has been applied to these people for four generations, and for eighty years they have had regular constitutional forms of government, fashioned after the Government of the United States, by which they enacted a regular civilized code of laws, protecting their respective citizens in their property rights and punishing infractions of law and order.

Their school systems, operated entirely by the tribal governments, were the most liberal of modern times. They had what they called "neighborhood schools," similar to district schools in many of the States, and high schools with a regular prescribed curriculum, the completion of which merited and exacted a diploma. Not only were tuition and books provided without cost to the pupils or parents, but board, laundry, and medical treatment as well, and, in some schools, particularly the orphan schools, clothing and all other necessities were furnished at no direct expense whatever to the beneficiaries.

So that the Five Civilized Tribes have come to be in deed and in fact civilized. This is a bold assertion, Mr. Chairman, but I make it without fear of contradiction. I dare say there is as small a degree of illiteracy among some of these tribes to-day as among a similar number of people in the city of Boston, the very hub of civilization on this continent. [Applause.]

These Indians became dissatisfied with their environments during the early part of the last century and made application to their Great White Father, Andrew Jackson, for a change. This illustrious old patriot bade his children seek a new home in the wilds of the boundless West.

After searching about over the entire Western country it is no wonder that these children of nature chose the beautiful Indian Territory, with its richly productive soil, its mild, equable climate, its clear, running, crystal waters, and bountiful supply of wild game, where, as many of them thought, they would pursue their worship of nature so long as grass grew and water ran. But the Indian was quick to see the possibility of development in his country. He was early to see the advantage of raising cotton, corn, wheat, and live stock, rather than idling in idleness and depending upon the uncertainty of the chase for a livelihood. So he invited his paleface brother to come in and assist in the development of what he called his "Land of the Fair God."

The white man came on horseback and in the prairie schooner at first. Then came his railroads and other modern means of transportation, and finally the palefaces swarmed in upon us from all sides, bringing with them their up-to-date agricultural, mining, and other machinery, their religion, their education, and their civilization, until finally the clouds of ignorance and superstition which once hovered over these people have been almost entirely dispelled, and this same Indian stands to-day in a great many instances as the very highest exponent of American civilization [applause] clamoring to have all disabilities removed from his rights and liberties and to be given full-fledged American citizenship. [Applause.]

Mr. CHANEY. Mr. Chairman—

The CHAIRMAN. Does the gentleman from Oklahoma [Mr. CARTER] yield to the gentleman from Indiana [Mr. CHANEY]?

Mr. CARTER. I do, with pleasure.

Mr. CHANEY. I would like to ask the question if there has been an opinion expressed on the bill the gentleman has introduced, by the Secretary of the Interior.

Mr. CARTER. He has agreed to the bill which has been introduced by my colleague.

Mr. CHANEY. Has he expressed an opinion in behalf of the gentleman's bill?

Mr. CARTER. He has not agreed to all the provisions of my bill.

Mr. CHANEY. I am very much interested in the gentleman's speech and interested, too, in seeing that these people have the largest possible liberty consistent with their protection; and does the gentleman tell the House that all the restrictions respecting the alienation of lands and all these matters relating to transactions between man and man could safely be removed, and that they would not be gobbled up by persons who would take advantage of them?

Mr. CARTER. No, sir; I do not pretend to tell the committee that all the full bloods are competent, but many of them are. I will come to that in a little while. My bill provides that the restrictions shall be removed from all lands except the full-blood Indian's homestead, but that his homestead shall remain inalienable for twenty years.

ATOKA AGREEMENT.

The Five Civilized Tribes had made such rapid strides in civilization in their new home, and their country had been developed and settled to such an extent that by the closing years of this same century it again became necessary to modify their conditions, so that beginning with the year 1898 certain agreements were entered into with these several tribes looking to a complete change of the Federal relation with these people. These agreements were negotiated by authorized tribal commissioners and a United States Commission, commonly known as the Dawes Commission. They required the ratification of Congress and a majority of the popular vote of the tribe before they became effective. These agreements provided for a dissolution of the tribal governments within eight years, allotment of lands in severalty, and speedy settlement of all tribal affairs.

Among other things certain restrictions were placed upon the alienation of Indian lands, the provision for such restrictions being practically the same in all of the different agreements. I will read the provision in what is known as the Atoka agreement, made with the Choctaws and Chickasaws, which will suffice to reveal the intent of all:

All the lands allotted shall be non-taxable while the title remains in the original allottee, but not to exceed twenty-one years from date of patent, and each allottee shall select from his allotment a homestead of 160 acres, for which he shall have a separate patent, and which shall be alienable for twenty-one years from date of patent. The provision shall also apply to the Choctaw and Chickasaw freedman to the extent of his allotment. Selections for homesteads for minors to be made as provided herein in case of allotment, and the remainder of the lands allotted to said members shall be alienable for a price to be actually paid, and to include no former indebtedness or obligation, one-fourth of said remainder in one year, one-fourth in three years, and the balance of said alienable lands in five years from the date of patent.

That all contracts looking to the sale or incumbrance in any of the land of an allottee, except the sale hereinbefore provided, shall be null and void. No allottee shall lease his allotment, or any portion thereof, for a longer period than five years, and then without the privilege of renewal. Every lease which is not evidenced by writing, setting out specifically the terms thereof, or which is not recorded in the clerk's office of the United States court for the district in which the land is located, within three months after the date of its execution, shall be void and the purchaser or lessee shall acquire no rights whatever to an entry or holding thereunder, and no such lease or any sale shall be valid as against the allottee unless providing to him a reasonable compensation for the land sold or leased.

This provision is well enough, perhaps, for incompetent persons, but its application is every day proving a detriment to such civilized Indians as compose the majority of the Five Civilized Tribes.

The Atoka agreement was defeated at the first Choctaw-Chickasaw election, many of the more advanced members of the tribes opposing it on account of this very restriction provision. Another election was called, however, the importance of an early change in conditions urged, and this time the agreement was ratified by a small majority, in the main because it was thought the spirit of such agreement would be carried out, giving us a "speedy settlement of tribal affairs," and these matters of restrictions on land titles and taxation could be adjudicated prior to the advent of statehood.

Mr. BEALE of Pennsylvania. Will the gentleman allow an interruption?

Mr. CARTER. Certainly.

Mr. BEALE of Pennsylvania. In what way or by whom can these matters be determined as to whether they should have the privileges that you have said they should have?

Mr. CARTER. I do not believe I understand the gentleman's question.

Mr. BEALE of Pennsylvania. You say that under certain conditions they are to have the right of title. In one way you say it shall be done within five years and another within two years.

Mr. CARTER. I am coming to that in a minute. That law has all been changed.

Mr. BEALE of Pennsylvania. I beg the gentleman's pardon; I was only asking for information.

SUPPLEMENTAL AGREEMENT.

Mr. CARTER. Before the lapse of many years it was discovered that this Atoka agreement was inadequate and incompetent for the settlement of these affairs, and in 1902 another compact was entered into with the Choctaws and Chickasaws by the United States known as the "supplemental agreement." This supplemental agreement practically reiterated the restriction provision of the Atoka agreement, and the former procedure of enactment ensued. A strong fight was made against this agreement on account of this same restriction provision; but, as it gave to these tribes an opportunity to have expunged from their rolls certain persons whom they claimed had no rights, and provided for a per capita payment of a part of the tribal funds, it was ratified at the election.

ACT OF APRIL 26, 1906.

The conditions under these two agreements were most deplorable, but not to be compared to what was yet to be handed out to us by the act of April 26, 1906. Under these two agreements the Secretary of the Interior had not been prevented from removing restrictions on the alienation of lands other than homestead allotments, whenever, in his opinion, the Indian was considered competent to manage his affairs. So that one of these Indians, who had now come to be a sovereign citizen of the United States, supposedly with all the rights, privileges, and immunities attaching thereto, could, by debasing his manhood and pride to a degree of abject servility, by admitting his inferiority to other men, supplicate and beg the right to eat the bread which he possessed, and which was justly his to do with as he pleased.

This last act referred to not only denied a part of these people this small modicum of liberty, not only prevented them from presenting their humble request for the pursuit of their happiness as they saw it, not only declared that they should not be allowed to present their modest petition to have such restrictions removed when they were competent, but placed the additional inhibition on many that they could not even lease their land without trucking to some departmental official.

Now, this is not said in any spirit of antipathy or disrespect to any departmental official. I have the highest regard for many of those people. They are not to blame. The officials of no Department are to blame for this. The system is wrong, the law is wrong, and Congress alone has power to change that law.

But says some facetious Member, "CARTER, you have no kick coming. You may have your restrictions removed. Make your application, and the Secretary of the Interior would not dare refuse to remove your restrictions."

That is true as to a part of my lands only. What I want gentlemen of this committee to understand is that I and each member of my family have 160 acres of land which no power under heaven's canopy can give us authority to alienate except this Congress.

The Indian is very much of a human being. He is subject to all the impulses and foibles of other intelligent people, and, like any other intelligent man, he resents the idea of having to ask any man's permission to do as he desires with his own property. He can see no reason why he should be called upon to submit his plans to any man in order to get supervision over what is justly his, so he hesitates to ask the Secretary of the Interior to remove any supposed restrictions there may be upon his liberties as an American citizen.

Out West, Mr. Chairman, money is scarce and interest very high. Many times in the past have the individual financial interests of business men of Indian blood suffered for the want of cheap money, which is almost always available on such real estate security as this, and which they could easily have obtained but for the imposition of these restrictions. No man may attempt to prophesy what the vicissitudes of life will bring. We may even undergo greater privations in the future than in the past. We may even see the savings of a lifetime swept away for the want of a few dollars which could be obtained in this way; but it matters not what may transpire, let the very worst come to the worst, I for one shall never bend the knee to mortal man for any financial consideration. [Prolonged applause.] And the majority of them feel just as I do, sir.

Now, Mr. Chairman, do not misunderstand me. I know that we have grafters out there. I know that we have a few Indians who are incompetent, and I would not leave the last home of the full-blood Indian to the pitiless mercy of unscrupulous grafters. Far be it from that. No man has a more profound sympathy for these plain, artless people than I. No Member on the floor of this House feels more keenly his responsibility

to them that I. Why! They elected me to Congress. But for the Indian vote I might not be a Member of this honorable body to-day, and they elected me upon the very platform that is embodied in my bill—removal of all restrictions upon the alienation of Indian lands, except the full-blood Indian's homestead. [Applause.]

Mr. CHANEY. Will the gentleman yield for a question?

Mr. CARTER. Yes.

Mr. CHANEY. I beg to ask the gentleman what his bill does more than the bill which has had the recommendation or assent of the Secretary of the Interior?

Mr. CARTER. The bill of my colleague [Mr. McGUIRE] provides for the removal of restrictions on all people not of Indian blood; upon all people whose quantum of Indian blood is less than one-half; upon the surplus lands of all people whose quantum of Indian blood is one-half or more; but it does not touch the full-blood Indian's surplus, while my bill provides for the removal of all restrictions, except upon the full-blood Indian's homestead.

Mr. FLOYD. Will the gentleman yield to me for a statement right in that connection?

Mr. CARTER. Yes; with pleasure.

Mr. FLOYD. As the gentleman is aware, I spent about two weeks in the Indian Territory last summer.

Mr. CARTER. I well recall that fact, and I think we were much benefited by the visit of the distinguished gentleman from Arkansas.

Mr. FLOYD. I want to call the attention of the House to two or three cases that were given to me by a prominent lawyer of Prior Creek. One was the case of a young lady who was a graduate of two literary institutions and also of the Conservatory of Music at Chicago. She could not dispose of her lands on account of this provision. Another case was one that appeals to the sympathy of every man, and that was this: A lady had three children; they were full bloods, and she had an allotment for herself and three children. This attorney told me that the land allotted to her was worth \$50 an acre. She could not lease it on account of the restriction forbidding leasing. She could not sell it. She submitted a letter to her attorney, asking why it was that, with so much land, worth so much money, they could not get bread. The woman had to beg bread because the regulations prohibited her from selling her land or leasing it for more than one year to anybody. Nobody would undertake to go on and clear up those rich bottom lands, clear them of timber and put them in cultivation, on a one-year contract or an illegal contract.

This shows the far-reaching effect of these restriction laws. The first case mentioned restricts an Indian of the highest degree of education and intelligence, who is capable of managing her affairs as any other person. The second restricts a small ignorant class rich in lands and values, and by so doing keeps them in a condition of absolute poverty and want. The law is equally detrimental to both classes.

Mr. CARTER. That is true, and there are numerous instances of this kind. College graduates with one thirty-second Indian blood are subjected to these restrictions, and I know of a number of poor full-blood Indians who are incarcerated in the jails to-day in Oklahoma for minor offenses unable to make bond, yet owning an abundance of land which can not be hypothecated even at the price of their freedom. This restriction law respects neither intelligence nor want, and its wide scope reaches from the most intelligent mixed blood and white man, who resents dictation, to the helpless full blood impoverished by its application.

Mr. THOMAS of North Carolina. Will the gentleman yield?

Mr. CARTER. I will, with great pleasure.

Mr. THOMAS of North Carolina. How many acres did the gentleman say was allotted and could not be disposed of?

Mr. CARTER. All of it is restricted by a later act, which I will get to very soon.

Mr. THOMAS of North Carolina. I thought the gentleman said he had a certain number of acres himself that he could not sell.

Mr. CARTER. I will explain that fully in just a moment.

Mr. THOMAS of North Carolina. I thought I caught a statement from the gentleman of the number of acres.

Mr. FULTON. I think I can explain that.

Mr. CARTER. I expected to explain that later in my remarks, but I yield to my colleague.

Mr. FULTON. I was simply going to say that the gentleman from Oklahoma [Mr. CARTER] said that he could have the restrictions removed on his surplus lands, consisting of 160 acres, by applying to the Secretary of the Interior, but his homestead of 160 acres he could not sell in any manner any more than a full blood.

Mr. CARTER. The people of Oklahoma are not antagonistic to the Indian. They have been the recipient of many favors at the hands of the Indian people, and they are appreciative of the fact. They are the neighbors and friends of the Indians, and they themselves would be the loudest in their protests if the incompetent full bloods were left unprotected. If a full-blood Indian or any other person becomes homeless, he becomes a pauper and thereby incurs an undesirable expense for his subsistence, not upon the Federal Government, but upon the State in which he resides. So, Mr. Chairman, I do not think you need to have any fear on that score. The people of Oklahoma do not want the restrictions of any incompetent men removed.

Mr. BEALE of Pennsylvania. Will the gentleman yield for a question?

Mr. CARTER. I have only a limited time, and am attempting to make a consecutive argument, but will gladly yield when my remarks are concluded, if I have any time left. The majority of the Indians composing the Five Civilized Tribes can no longer be considered a savage and uncivilized people. They are civilized. They are enlightened. They are educated to a high degree, and I dare say that the stranger in Oklahoma to-day would find great difficulty in distinguishing the mixed-blood Indian from the white man, as a rule. So we believe the time has certainly come when we must distinguish between the competent and the incompetent Indian, just as we do between such classes in all other nationalities.

FULL BLOODS.

Now, Mr. Chairman, the full-blooded Indian is in reality the only real ward of the Federal Government, and my bill gives him ample protection. It provides that he may not sell his homestead allotment for twenty years, but that he may sell his surplus land and thereby procure funds with which to improve his homestead.

Under the provisions of my bill the Indian will receive a two-fold benefit. In the first place, he will receive money with which to improve his homestead and make it productive. In the second place, when his surplus lands are sold, they will be sold to some home builder who will immediately begin the erection of his home and put his land in a high state of cultivation.

This land will lie adjacent to some full-blood Indian's homestead, and as this land is improved and put in a higher state of cultivation, just in that proportion will the full-blood Indian's homestead be increased in value, so that within a few years the full-blood Indian's homestead will be worth more than his entire allotment is to-day. This I believe to be the best protection ever offered to the full-blood Indian, for the reason that it gives him actual aid and assistance, while the present law simply strains at a purpose it fails to accomplish. It intimidates and prevents the honest home seeker from entering the market and paying a legitimate price for these lands, at the same time failing to prohibit the unscrupulous adventurer from getting possession of such lands and clouding the title to same for a merely nominal consideration.

Here is a point I want this committee to catch: The Indian in his primitive state was noted for an unwavering fidelity to his obligations. I can remember during my lifetime when an Indian's word was considered as good as his bond, but not so now. This system tends to destroy this, the most commendable feature of pristine Indian character, by plainly saying to the Indian, "Go sell your land and give a deed to it, then make application to have your act set aside, to be repossessed of your property, and upon the grounds of your incompetency we will sustain you in your dishonest contentions." Did you ever hear of such teaching to a simple, unsophisticated ward by its guardian? The Indian may be a little slow to get next to the white man's virtues, but he has abundant wit to catch on to his vices. [Laughter.]

Even the most ignorant full-blood Indian is by no means benefited by these restrictions. Much of the land allotted to the full-blood Indian is unimproved. These Indians, as a rule, are poor and have no funds with which to improve their lands. If they could only lease their lands, they might have them improved in that way, so that in a few years they would provide some kind of an income. Or better still, if they could only sell their surplus lands the proceeds of such sale might be applied to permanent improvements on their homestead, and I would not object to having my bill amended to that extent.

But, Mr. Chairman, there is one fundamental fact which we must not overlook in dealing with this proposition, and that is this: These Indians of the Five Civilized Tribes do not own their lands by the good graces of the Federal Government. They bought these lands and paid for them. These lands were accepted by them in lieu of much more valuable lands re-

linquished in the old Southern States. They had a fee-simple title to these lands for generations before allotment, the only reservation in the deed being that of escheat, which I presume would have operated without such provision in the deed. We have no moral right to prevent these people from using their property to the best advantage.

POVERTY.

The Choctaws and Chickasaws are reputed to be one of the wealthiest classes of people on the face of the earth, yet today, with all their boasted wealth, with all this glorious paternal supervision, many of the ignorant full-bloods among them can barely keep the wolf of starvation from the door, when as a matter of fact they are rich—but how? Rich in lands and moneys held out of their reach by the Federal Government.

"What profiteth a man if he owns the earth and yet starves to death?"

I tell you, Mr. Chairman, it is a crime to longer keep these people under such bondage. Many of them are growing old and will soon pass away; doubtless their condition of penury will hasten death. Then, in the name of humanity, nay, I will not make hypercritical appeals to your sentiment, but appeal to your fairness instead. In the name of that spirit of fairness which rests deep down in the bosom of every true-born American, let us see to it that these poor people are given an opportunity to enjoy the possession of some of their just rights before that dreaded reaper takes them to the great beyond. [Applause.]

TAXATION.

You have exempted the Indian's land from taxation, when the most casual glance into history will disclose the fact that it has always proven a mistake to exempt any certain class of people from taxation. It is a greater injustice to those exempted from this burden than it is to those burdened by such exemption.

History will show that such injustice as this has often led to cruel and wanton bloodshed. Whenever attempts have been made to exempt any certain class from taxation a prejudice has invariably sprung up against the exempted class by those who had to bear the burden, and this prejudice has been known to exist for years after the cause has been removed.

The only prejudice existing to-day against the Indian in Oklahoma is due to the fact that he will not contribute his part toward the support of the State. This prejudice is at present in its incipency. As taxes become due and demands are made for payment it will grow and gather force, finally to the utter excommunication of the Indian politically, socially, and commercially.

To say the most of it, ownership of this world's goods is but transient and fleeting, while this prejudice would, I am sure, be permanent and enduring.

I had much rather have my child grow up moderate in means, yet efficiently educated and rich in the love and esteem of its neighbors, than that it should attain its majority lavish in wealth, but banished from its consorts into a small minority, to be scorned and despised, for a just cause, by its equals. [Prolonged applause.]

The Indian who has seriously considered this matter will have no word of protest against having his lands taxed. He must realize that this demand for an equalization of supporting the burden of the State is a just one, and for that reason can not be permanently withstood.

He would be short-sighted, indeed, if, simply for the purpose of saving a few paltry dollars taxation, he would allow a condition to exist which would create a prejudice not only detrimental to his own interests, but which would prove a menace to his children and his children's children.

The Indian expects all the burdens and benefits that come with your American citizenship. He will not object to paying his taxes if you will only make of him a citizen in fact as well as in name and eradicate these restrictions from his liberties.

The Indian believes, no matter what his political faith may be, in that eternal principle, "Equal rights to all and special privileges to none." And should stand firmly upon the proposition that "the man who is unwilling to bear his just share of the burden of supporting his Government is unworthy to live under and enjoy the blessings of a great Government like ours." [Applause.]

PURPOSE OF INDIAN OFFICE.

Undoubtedly the purpose of the establishment of the Indian Bureau in the Interior Department was to eventually make of the Indian an independent and self-reliant citizen, and to this end I take it has the Indian Office ever labored, educating and

instructing the Indian in literature, in agriculture, and in all the different branches that go to make our cosmopolitan American citizenship.

This paternalistic attitude is well enough for the full-blood Indian, who, as stated before, is the only real ward of the Government, but when an Indian or any other person reaches the point of intelligence at which he is competent to think and act for himself any further attempt to supply the demands of his life or stand sponsor for his acts simply stimulates the indolence in the nature of that individual and destroys such independent and initiative character as you have been able to construct.

The intelligent mixed-blood Indians of our tribes have unmistakably attained the object of Federal supervision, to wit—intelligent, self-reliant citizenship. What such educated Indians as these need is to be let alone. Let the Federal Government loosen its hold. Remove their restrictions; make them free; give them a show, and I guarantee they will make good as American citizens.

KICKING KICKAPOOS.

The Kickapoo land frauds recently unearthed have been cited and exploited as an argument against the removal of restrictions for the Five Civilized Tribes. Such acts of loot and plunder as seem to have been committed on these poor, ignorant people are most reprehensible and warrant rigid punishment under the law; but the argument that this circumstance is any reason for the retention of restrictions on the lands of intelligent Indians is the sheerest kind of sophistry.

These Kickapoos are Indians of the very lowest degree of civilization and mentality, uneducated, and almost savage in instinct. They sold their lands to move to Mexico, and the very fact that they wanted to leave a great country like this and go to Mexico or any other place ought to have been sufficient notice that the Kicking Kickapoos were incompetent.

But seriously and in fairness these people can no more be compared with the educated mixed-breed Choctaw, for instance, simply because they are both of American Indian stock, than can the most ignorant, dog-eating Igorrote be compared to the shrewd, aggressive Jap because they are both of Asiatic-Malay origin.

To sum up briefly, I said I believe the imposition of these restrictions, according to existing laws, bad for the Indian; bad for the State of Oklahoma, and contrary to the spirit of American liberty. It is bad for the mixed-breed Indian, because it hampers the independence of an intelligent man; prevents him from using his property to the best advantage; teaches him to lean upon another; teaches him to be a tax dodger, and destroys his self-reliance, which we will all agree is the most potent element contributing to the composition of untrammelled American manhood. It is bad for the uneducated full blood, because it strains at a goal it has failed to reach; teaches him duplicity and knavery, which crimes he is not given to in his primitive state; denies him the funds with which to improve his lands, and cheapens the price of his lands by limiting the market to adventurous purchasers only.

It is bad for the State of Oklahoma, because during the embryonic period of this young Commonwealth it takes from its tax sheets almost one-half of the lands, prevents legitimate dealing in land, prevents permanent improvements on lands, prevents home building, and builds up a system of tenantry the like of which American civilization has never seen before. It is contrary to the spirit of American liberty, because it places restrictions on the rights and acts of competent and intelligent people, sovereign citizens of the United States, who are not charged with the commission of any offense whatever against either law or morals.

Not being versed in the law, it would be presumptive in me to attempt to discuss the legality or constitutionality of this question before this body of eminent lawyers. I do, however, ask the indulgence of the committee in calling to its attention certain Supreme Court decisions which I believe affect, vitally, this question.

In the case of *The Cherokee Nation v. The State of Georgia* (5 Peters, p. 1) Chief Justice Marshall delivered an opinion which I understand to be the first legal definition of the term "Indian tribes." Mr. Marshall stated, in substance:

Indian tribes are not foreign states, but must be regarded as domestic, dependent aliens.

This Supreme Court decision is reinforced by numerous other opinions, some of which are *Jones v. Mehan* (175 U. S., p. 1), *Eastern Band of Cherokees v. United States* (112 U. S., p. 288).

If these tribes are domestic, dependent aliens, it would naturally follow that each constituent element thereof is a domestic, dependent alien. But United States citizenship was conferred on all members of the Five Civilized Tribes by the act of March

2, 1901. Now, it seems to me that the term "dependent alien" is absolutely incompatible with United States citizenship, therefore restrictions might be maintained upon the liberties of Indians who are domestic, dependent aliens, but not upon United States citizens, and in view of these citations, it seems to me a very close question if such restrictions can really be legally and constitutionally maintained.

But that matters not, granting for the sake of argument that such provision should be upheld by the court. Grant that this provision may not be a technical legal violation of the Federal Constitution. Nevertheless, I believe that to restrict an intelligent man in such a manner as this is morally violative of the spirit of that provision of the Constitution which guarantees life, liberty, and pursuit of happiness.

If I am a sovereign citizen of the United States, of sound mind, and competent to manage my own affairs, you have no more moral right to single me out and place specific restrictions on the disposition I shall make of my effects on account of my Indian blood than you have to restrict an Irishman in the wearing of the green on St. Patrick's Day on account of his Irish blood, and I do not think this House would want to attempt to regulate that—not the New York City Members, anyway. [Laughter.]

In conclusion, I want to say, if you will remove these restrictions, if you will give Oklahoma an equal start with all the other States at the time of their admission, we will give you a sample of progress of which the parent Government may well feel proud. Our country will be filled with home seekers, worthy constituents of many of these gentlemen, who will build homes and convert the rich virgin soil into blossoming fields of grain and cotton.

The worthy pioneer will then have an opportunity to realize the ambition of his life. Consider for a moment the American pioneer. Consider this sturdy, stout-hearted yeoman who has helped to develop this country and make it fit to live in; who has taken his life in his hands, as it were, and hewn from the great primeval forests of the West his modest home far in advance of law and order, thereby making possible the existence of all the great States west of the Alleghenies and contributing to the magnitude and grandeur of this stately Republic. [Applause.]

Is not this worthy citizen entitled to some consideration at the hands of the Government he has helped to build and make great? Why, think you, has this sturdy citizen braved all the dangers of frontier life? Why has he undergone all the privations of the early settler? For the just and righteous purpose that he and his beloved little family might secure some hearth and fireside, humble though it be, that they could call home. [Applause.] If you remove these restrictions you do no less than justice by all, yet you grant to this steadfast citizen a life which will have a new meaning. He will move from the humble hut where he has been forced to live and pay rent in the past and begin the erection of a new home, all his own, paying tribute to none save his country and Almighty God. [Loud applause.]

It shall be our utmost endeavor and highest ambition to give to the parent Government an example of unalloyed devotion and loyalty; if in the troublous times of war it should become necessary to call for good men, brave and true, to battle for the rights of this great Republic, you will find that no State in this Union will respond more willingly than the infant State of Oklahoma. [Loud applause.] None shall be permitted to rally around the Old Glory more graciously and more patriotically than the sons of the Indians, "Land of the Fair God;" and in the piping times of peace we will endeavor to contribute to the National Congress, honest, patriotic members always, who will dare to do the right as they see it, no matter what their political faith may be. [Loud general applause.]

Mr. Chairman, I thank the committee for its considerate attention.

Mr. BEALE of Pennsylvania. I do not see how this body can refuse to give the gentleman all that his bill proposes.

Mr. KEIFER. I yield one moment to the gentleman from Pennsylvania.

Mr. BEALE of Pennsylvania. I would ask what it is that the gentleman would have and that they think they require for Oklahoma.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. BEALE of Pennsylvania. Then I will state, if I have the time, that if there is anything this House could do for Oklahoma, I am sure it will do it after the statements that have been presented by the gentleman from Oklahoma. [Applause.]

Mr. KEIFER. I now yield to the gentleman from South Dakota [Mr. HALL] one hour or such part thereof as he may desire.

Mr. HALL. Mr. Chairman, it is my purpose to discuss a question which I consider of the most vital concern to every Member in the Chamber and to the country at large, surpassing in its importance, perhaps, even the currency question and many other questions prominent in the public eye. It is not without considerable hesitancy that I undertake the discussion of so important a subject before this body, composed as it is so largely of men of greater legislative experience and ability than myself; but, on the other hand, I am encouraged and assured by the knowledge that if the facts and arguments which I shall present possess any inherent merit, the ability and powers of discernment of my auditors are such that they will be able to grasp the ideas, notwithstanding the imperfect manner in which I may present them.

Mr. Chairman, the general subject of my remarks is the preservation and protection of one of our most important national resources, one of our most indispensable national resources, the timber supply. And in the course of my remarks in connection therewith I propose to suggest certain remedies, including the removal of the import duty on all kinds of lumber, upon wood pulp, and upon paper, and also the correction of certain well-known irregularities existing in the lumber and paper trade.

In the early days of the session I introduced a bill in this House for the purpose of placing lumber upon the free list and for removing all import duties now imposed by statute—

Mr. SHACKLEFORD. May I ask the gentleman a question right there?

Mr. HALL. Yes, sir.

Mr. SHACKLEFORD. What has become of that bill introduced by you to put lumber on the free list?

Mr. HALL. It was referred to the Committee on Ways and Means.

Mr. SHACKLEFORD. Does the gentleman hope to get it out of that committee?

Mr. HALL. Yes; I am talking for that purpose now. [Laughter.] I am attempting to expedite it, perhaps.

A measure of that character is primarily essential for the purpose of affording relief to our already overburdened and fast-waning forests. In the second instance it is essential on account of its connection with and its bearing upon the lumber trade generally, as I shall hereafter show.

That there may be no misunderstanding, I will say that this bill is in no sense a free-trade measure; but, on the contrary, is in perfect accord and harmony with the Republican protective system, and is in the enforcement of announced Republican policies. Every Republican tariff act has contained a long list of articles on the free list. The Dingley Act contains a free list of some 238 articles and classes of articles.

The Republican protective tariff is so imposed that in the collection of the revenues for governmental purposes on imports it affords a proper measure of protection to American industries and American labor, so as to secure the domestic markets for the former and to furnish employment and preserve the standard of wages of the latter; but both the industries and the laborers employed in them are dependent upon the supply of raw material or resources. Hence, in the protection of the industries and labor of the country it sometimes becomes necessary in the first instance to look to the very foundation by protecting the resource from exhaustion, and in such case other means than the imposition of an import duty become necessary. It therefore follows that the full statement of the Republican doctrine of protection extends to resources as well as industries and labor, and in the logical order of their importance resources stand first because the industries and labor are dependent upon them.

Take, for example, the timber supply, which we all realize is so rapidly disappearing in this country. If it shall be exhausted, with it will fall not only the lumber industry, which is fourth in the order of importance in the United States, but also the hundreds and thousands of other woodworking industries and occupations that are dependent upon the timber supply for their operations—the carpenter and builder, the manufacturer of vehicles, cars, cooperage, veneering, the distillation of woods, and myriads of others which I will not undertake to enumerate. Suffice to say that they employ annually hundreds of millions of dollars in their capital and hundreds of thousands, if not millions, of laborers. These are all dependent upon the timber supply, and if it shall become exhausted, these industries must of necessity cease their operations and the laborers be discharged from employment. Such protection is

as far removed from the doctrine of free trade as the North Pole is from the South Pole.

At the opening of this session of Congress we had a practical illustration that this measure is in full accord and harmony with Republican principles, when our fearless, farsighted, and forceful President, who is perhaps one of the best, if not the best, exponent of modern progressive Republicanism, in his first message to this Congress recommended that the tariff be removed from all products of the forest, including wood pulp. Mr. Chairman, it has ever been the policy of Republicans to protect all industries and all laborers in America, and in so doing the present danger of deforestation should be promptly met by appropriate laws.

Notwithstanding the fact that during the last seven years the timber production of Wisconsin has decreased over 30 per cent, she is still the third State in the Union in lumber production, and at the last session of her legislature, a Republican legislature, wisely foreseeing the rocks upon which they were drifting, and desiring to preserve the industries of lumbering and the wood manufacturing establishments within their boundaries, was passed a resolution, which I will read:

Resolved by the assembly (the senate concurring), That we respectfully memorialize Congress to remove the tariff on lumber: And be it further

Resolved, That a copy of this resolution be transmitted to the President of the United States, the President of the Senate, the Speaker of the House of Representatives, and also to the Senators and Members of the House of Representatives from Wisconsin.

Mr. Chairman, the State from which I come is not a timber State. We are dependent for our supply of lumber upon other States which are more fortunately supplied. The people there have a vivid recollection of the hard times they experienced during the last Democratic Administration, and, as a natural consequence, the State is overwhelmingly Republican. At the last Republican State convention, held in 1906, one of the planks in the platform adopted recommends the removal of the tariff upon lumber, and to that proposition I stand pledged as a Republican.

A quarter of a century ago the respective doctrines of free trade and protection were in the experimental stage. Great Britain has been referred to by our Democratic brethren repeatedly as an example of the benefits of free trade, and they condemn the protective policies which were adopted in this country and in Germany. Since then we have had the opportunity to judge of the merits of these two respective policies, and, like other great economic principles, their merits have been discovered and proven by time and experience. In this country we have witnessed such progress and development as the fondest hopes of man could not anticipate. In Germany, while perhaps there has not been progress and development in so great a measure as in this country, yet that country has also prospered. The late Lord Playfair, who was chairman of ways and means and deputy speaker of the House of Commons in England from 1880 to 1883, expressed, in 1891, the following opinion of American fiscal policy:

If the Americans be right in principle, and if they be successful in practice, the whole policy of the United Kingdom is founded on a gigantic error, and must lead to our ruin as a commercial nation.

Concerning the outcome, I desire to now call to the stand a witness, not an American, not a German, but a distinguished English statesman, interested in the welfare and proud of the history of his own country, Sir Alfred Maloney, who, in the last issue of the North American Review, relates the experience of Great Britain under the free-trade policy and compares it with the experience of the United States and Germany under the protective system.

Until comparatively recently there has been no organization and little propaganda in favor of tariff reform, and until the late by-elections there has been no effort to educate the British masses on the subject which concerns not only their vital interests, but their actual right to existence. The free-trade doctrine, once firmly established, has operated like the fumes of some powerful narcotic, and England has drowsily slumbered while other countries have taken the opportunity to enrich themselves at her expense. * * * No one can maintain that the United States and the German Empire are not flourishing communities or that their financial system impedes the growth of industry. Yet the conditions of life in England do not differ so widely from theirs as to support the suggestion that what has tended to promote national prosperity in those countries would have a contrary effect in the British Isles. In the United States the standard of the industrial classes is much higher than in Great Britain, whether it be in wages, clothing, education, or housing accommodation. All this is the fruit of protection, and it accounts for the attraction of emigration, the stream of which impoverishes England while it enriches America. In poor old England competition between cheap foreign goods and domestic products and manufactures depreciates the value of labor and keeps on the border of starvation over 12,000,000 of the population.

Mr. Chairman, wherever there is a sufficient supply of raw material, then, of course, it is right and proper that a protective tariff should be imposed on all articles that can be manufactured in the United States, so as to afford a sufficient measure

of protection to our industries and to secure to them the home market and to secure to laborers employment and sufficient wages. But where there is an insufficient supply of raw material then that rule does not obtain, and we must seek for such other and different measures as will have a tendency to preserve that supply.

The reproduction of trees, like other vegetable and animal life, is governed by the immutable laws of nature, which are less flexible than those of the Medes and Persians—by the same divine system which controls the planets in their unvarying and majestic courses in the heavens, a law which man may indeed conform to and take advantage of, but which he can not control or change. With the jaunty indifference of a fiddling Nero, the American people are witnessing the destruction, not only of a city, but of one of the most important and indispensable resources of the country.

Do we labor under the delusion, Mr. Chairman, have we become so intoxicated by the successes and bounties of the past as to imagine that we can successfully overturn the laws of nature and of nature's God? Are we laboring under the hallucination that as Cadmus sowed dragon's teeth in the ground and produced an armed body of men in a night, we, the American people, can sow seeds and raise a forest in a night? Have we so far forgotten our duty to ourselves, our posterity, and our country that we are going to sit here idly and permit our great resources, our timber supply, to fade away and be destroyed forever without protest? Mr. Chairman, we are consuming each year three times the annual growth of timber. We are treating the forests of this country as though they were a great cistern from which we can take three barrels of water a day, expecting the supply to last forever with an inflow of but one barrel a day. What we need is to so change our system concerning the timber supply and the forests of this country that they shall be as a flowing well, where the supply shall be equal to or in excess of the amount used at all times.

It is, indeed, a sad commentary upon the business sagacity of our country that we are thus violating one of the most fundamental business principles by not living within our income. The inevitable result under present conditions, unless we speedily change our course, will be the complete exhaustion of our forests. The restless energy and constructive genius of the Anglo-Saxon has worked a great transformation in this country in the last century. The marvelous development of this country, the result of that energy and of that genius, stands the marvel of all nations. His aggressiveness, however, is not only a potential constructive force, but a destructive one as well. With his ax he hews a way through the forest and with the product builds the homes, the schoolhouses, the factories, and temples of his God. But at the same time in his wake he is leaving a desolate wilderness of tangled underbrush and blackening stumps. He is a mighty builder in times of peace and a mighty destroyer in times of war. The results are being manifested more visibly, perhaps, on our timber supply than in any other resource that we have in this country. The first legislation for the purpose of establishing forest reserves was in 1891 under President Harrison's Administration, when by Congress the President was authorized to establish forest reserves, and President Harrison established the first one in the Yellowstone.

The first efforts along this line were subjected to criticism, and perhaps not unjustly so in some respects, because while these tracts were set apart, there were no provisions made for the protection of the trees; they were simply locked up and left to burn. But in 1897, during McKinley's Administration, another act was passed, which remedied these defects. Provisions were adopted whereby these forests could be used for grazing purposes, mining could also be carried on within their limits, and to a certain extent agricultural rights were recognized, and matured timber could be cut under proper restrictions. Some States, following the example furnished by the Government, and realizing the importance of the measure, have established State forest reserves, but the total area covered by forest reserves, State and national, is only one-fifth of the total timbered area in the United States, and the remaining four-fifths are owned privately. By the establishment of this nucleus of forest reserves we have made a start, but it comes too late, and something must be done to supplement the Forestry Bureau in its work. There is one man in particular to whom the people of this country owe a great debt of gratitude, and he is a man who, with untiring zeal and patient effort, has studiously directed his attention to the establishment of a scientific system of forestry in the United States, Mr. Gifford Pinchot, the Chief Forester. [Applause.]

Forestry was discussed two thousand years ago. It is nothing new. A résumé of the history of forestry would be interesting, but it would be tedious. I would, however, call your

attention to a short extract in one of the circulars issued by the Forestry Department concerning the progress made in one country, Germany, under a forestry system.

Mr. RAINEY. Mr. Chairman—

The CHAIRMAN. Will the gentleman from South Dakota yield to the gentleman from Illinois?

Mr. HALL. I will; certainly.

Mr. RAINEY. Before the gentleman enters upon a discussion of that phase of the question I want to inquire of him, inasmuch as he seems to be fair about the matter, if he does not think, in promoting forest preservation, it would be a good plan to take the tariff off of lumber so that we can destroy the forests of some other country and preserve our own?

Mr. HALL. That, sir, is a proposition I will reach in a few moments. I agree that it is one of the things that is very essential, namely, that we should extend the area from which we derive our timber supply by removing all barriers against the introduction of foreign lumber into the United States.

Mr. RAINEY. The gentleman will do something to accomplish that when he joins with us in our fight for tariff revision, and not until he does.

Mr. HALL. My friend, I certainly appreciate your good will—

Mr. HILL of Connecticut. May I interrupt the gentleman?

Mr. HALL. Certainly.

Mr. HILL of Connecticut. Former experience teaches me that the gentlemen on that side will fight just as strong for an article produced in their respective States as they will on this side, even cotton.

Mr. SHACKLEFORD. Just one question. Seeing the gentleman from Connecticut on the floor induces me to ask the gentleman who is addressing the House if he does not think it is altogether a lost motion to be discussing the removal of the tariff from timber as long as the Ways and Means Committee is organized as at present? Does he not know that the committee will not report any bill looking to that end at this session of Congress, and does he not know that the Speaker will not recognize any gentleman to make a motion to discharge the committee from its consideration?

Mr. HALL. I am sorry the gentleman is so pessimistic in regard to the situation. I believe that it is the firm desire and purpose, both of Republicans and of Democrats, to uplift humanity generally; to build up our industries and institutions; to protect our resources, and to promote the general welfare, the point of divergence between the parties being the methods adopted to attain these ends. And I believe that those in authority have that degree of patriotism that they will perform their duties in such a manner as in their best judgment will accomplish these results. I have confidence in the patriotism of every officer and every committee in this representative body. I believe that the principles that underlie the bill which I am advocating are such as will appeal to any reasonable man, and that is why I introduced the bill and why I advocate the measure.

I started a few moments ago, for the purpose of illustration, to call attention to the success of forestry in Germany. That country, like other European countries one hundred and fifty years ago, becoming alarmed at the disappearance of her forests, resolved to establish a system of forestry, not only for the purpose of furnishing a continuous wood supply but also for the purpose of protecting agriculture and stream flow, and, quoting from a circular issued by the Bureau of Forestry:

Under this management the growth of the forest, and consequently the amount cut, has risen sharply. In 1830 the yield was 20 cubic feet per acre; in 1865, 24 cubic feet; in 1890, 52 cubic feet, and in 1904, 65 cubic feet. In other words, Prussian forest management has multiplied the rate of production threefold in seventy-five years. * * * If we were everywhere practicing forestry with a resulting improvement equal to that made in Prussia, our forests would be growing as much as we use.

The financial returns in Prussia are now nearly ten times what they were sixty years ago, and they are increasing more rapidly than ever.

In Saxony the yield arose 55 per cent between 1820 and 1904, under forestry management, and is now 93 cubic feet per acre, greater even than that of the Prussian forests. The net yearly revenue is \$5.30 per acre. The yearly expense is \$3 per acre.

Compare this, if you please, with the income of and expenditure on forests in the United States. In 1905 to 1907 both our expenditure on the forests and our income from them was but a fraction of a cent per acre. The longer the policy has continued, however, the more nearly does the Forestry Department become self-sustaining, and as the years advance it will become a source of considerable profit.

The forests of Wurttemberg yield an annual net revenue of nearly \$6 per acre, and in Germany to-day the forests are in better condition than ever before, and under the present

system of management is it possible for the German foresters to say with absolute certainty that the high yield and large returns which the forests now give will be continued indefinitely into the future.

In summing up the opportunities and possibilities of the United States in comparison with foreign countries, the Forestry Bureau says, in the circular which I have mentioned:

In comparison with foreign countries, the prospects for forestry in the United States are particularly bright for the following reasons:

(1) We start with the assurance that success may certainly be attained.

(2) We have few of the handicaps which have trammelled other countries. We have no ancient forest rights and usages with which to contend or troublesome property questions to settle.

(3) The results which other lands have achieved by long struggle, often with bitter costs, are free to us to use as we wish. We have, it is true, our purely national and local forest questions, but the key to many of them is somewhere in the keeping of the countries which have achieved forestry.

(4) In variety, combined with value, our forests are without a parallel in the world. They produce timber adapted to the greatest variety of uses, so that, except to meet shortage, importations of wood are unnecessary. Furthermore, transportation facilities enable us to make every forest region available. Thus, by specializing our forest management, each kind of forest may be made to yield the kind of material for which it is best adapted, and the wastes due to compulsory use of local supplies may be practically eliminated.

The preservation of the forests is essential, not only for the purpose of preserving the timber supply, but is important for the protection of agricultural interests as well. These forests on the mountains and the hilltops act as great conservators of moisture gathered from the rains and from the melting snows, like enormous natural sponges, gradually distributing the water on the lower-lying country, irrigating the fields below. Now, when these great natural sponges are destroyed, when the forests are cut and burned down, the result is that with every heavy rain and with the melting snow, the water comes down the mountain and hill sides in torrents with a precipitous rush, causing erosion of the soil and great destruction, and finding its way into the streams and rivers causes great loss of life and property in the floods which we have read so much about, especially in the last ten or twelve years. Consequently, for those interests the preservation of the forests is quite essential.

The manner in which the timber is disappearing is shown by a comparison between the amount of timber that is now being cut and the amount which was previously cut. Statistics show that from 1899 to 1906, as one region was cut out and another one invaded, the cut in Pennsylvania has decreased 30.2 per cent, in Minnesota 23.4 per cent, in Georgia 36.4 per cent, in Kentucky 23.4 per cent, and in Wisconsin 30.7 per cent. Now, that decrease in cut is not due to a lack of demand for lumber, but on account of the diminished supply. That is proven by the fact that during all this time the prices of lumber have been steadily advancing. Furthermore, the onslaught on the forests of the Pacific States is indicated by the fact that during these same seven years the cut has increased in California 83.7 per cent, in Oregon 118 per cent, and in Washington 201.5 per cent.

I have roamed through the forests on the Pacific coast and admired their grandeur. It did seem to me as if those forests were inexhaustible, with their great trees towering toward the heavens. The Pacific coast is unparalleled with its great trees, and I may incidentally remark that it is also famous for its big men that it sends to Congress. [Applause.] Everything is done by extremes on the Pacific coast, and yet, when we calmly consider the fact that the demand for lumber in the United States is something enormous, we can appreciate what effect it will have upon these apparently inexhaustible forests upon the Pacific coast. The estimated stumpage of the State of Washington is 195,000,000,000 board feet; of Oregon, 225,000,000,000 board feet; of California, 180,000,000,000 board feet; an aggregate of 600,000,000,000 board feet. The annual rate of consumption of timber in the United States for all purposes, lumber, railroad ties, telegraph and telephone poles, cooperage, etc., aggregates about one hundred and twenty to one hundred and twenty-five billion board feet per year. Now, at this rate of consumption, if the timber were all to be taken from any one of these three States which I have mentioned, Washington, Oregon, or California, the forests of any one of these States would not last two years; and combining all three of these States, confining the cut to them, it would be exhausted in five or six years.

It is estimated that the amount of standing timber in the United States is between fourteen hundred and two thousand billion feet, and that the annual growth is between thirty and forty billion feet. Assuming a stand of fourteen hundred billion feet, an annual growth of thirty billion feet, and consumption of one hundred and twenty billion feet, the forests will be exhausted in less than sixteen years.

Assuming a stand of two thousand billion feet, exhaustion will be completed in a little over twenty-two years.

Again, assuming for the purpose of the argument the highest estimate of stumpage, two thousand billion feet, the lowest estimate of consumption, one hundred billion feet, and the maximum annual growth, forty billion feet, we will exhaust the forests in thirty-three years.

Conservative estimates between these two extremes fix the life of our forests, under present conditions and at the present rate of consumption, at from twenty-five to thirty years, and we must remember that the increase in population and development of the country will increase the consumption of timber proportionately.

I was much interested in the résumé of the industries and advantages of the grand old State of Ohio, the noble men that she has produced, and their achievements in the history of our country, as given by the distinguished gentleman from Ohio [Mr. BANNON] in his remarks a few minutes ago. I want to call attention, however, to the fact that in the State of Ohio the hard-wood lumber manufacturing establishments are doomed to destruction unless something is done to preserve these supplies.

The hard-wood lumber production in Ohio was reduced over one-half between 1899 and 1906. The decrease in products between 1900 and 1905, according to census reports, amounted to \$7,212,345, or 57.4 per cent, and the rank of the industry in the State fell from the fourth to the twentieth place. The number of employees fell from 10,689 to 6,442, or 40 per cent.

Also in Indiana during the same period the lumber industry fell from the third to the eighth place, the value of products decreasing 27.1 per cent, the number of wage-earners decreasing 42.6 per cent, and the wages paid decreasing 36.6 per cent.

It will be seen by the foregoing statement that the supply of hard wood, as well as soft wood, is rapidly diminishing, and the effects of its scarcity are being already felt. The hard-wood timber cut in the United States in 1899, according to the census, was over eight and one-half billion feet, the exact figures being 8,634,021,000 feet. In 1906 it had fallen to less than seven and one-half billion feet, the figures being 7,315,491,000 feet, a decrease of 15.3 per cent. This decrease took place during a period when American industries sprang forward at an unparalleled pace and while there was the strongest demand ever known for every class of structural material, the prices of hard-wood lumber advancing from 25 to 65 per cent, showing beyond any question that the decrease in the amount cut was due to diminished supply and not to lessened demand.

Together, Illinois, Ohio, and Indiana produced 25 per cent of the hard wood in 1899. In 1906 they produced only 14 per cent. Their many woodworking establishments, which are now hard pressed for supplies, will exhaust the remaining remnants of hard wood within their borders in a very few years.

To illustrate the disastrous effect which the exhaustion of the hard-wood timber supply will have on the country, I will allude, for example, to the State of Illinois. In that State, which is only second to New York in hard-wood manufacturing industries, as shown by the census, \$148,115,805 was invested in hard-wood manufacturing industries in 1905, almost one-fifth of the total capital invested in manufacturing in the State. It employed, as shown by the census reports, 59,844 wage-earners and turned out in that year a product valued at \$139,970,590. Exhaustion of the hard-wood supply assuredly means the loss of these industries to the State, and what is true in Illinois is likewise in a measure true in many other States.

Not until we pause and consider that our reproduction of forest trees is so sadly neglected that we cut each year three times the annual growth; not until we realize that each year 125,000,000,000 feet of lumber is cut, a cut which means over 10,000,000,000 feet a month, over 333,000,000 feet a day, and over 13,000,000 feet each of the twenty-four hours of the day; not until we remember that by our tariff laws we are keeping out reinforcements to protect our timber supply from exhaustion, do we begin to realize the appalling fact that the sands which number the hours of our forests are falling fast; that from the snow-clad hills of northern Minnesota to the sun-kissed shores of the Gulf, from the wave-beaten rocks of Maine to California's Golden Gate, the cold steel of the tree butcher's ax is ringing the death knell of our once proud American forest tree. [Applause.]

Having thus called attention to the urgent necessity for prompt action to preserve our timber supply, I will venture the suggestion of the remedies which I consider essential and which will, in a measure at least, relieve the situation.

In the first place, I would reinforce for the present our timber supply, which is so greatly inadequate, by removing all barriers against the introduction of foreign timber, repealing all import duties on the products of the forest, including lum-

ber of all sizes and dimensions, wood pulp, and printing paper, and placing them on the free list. It is manifest that until we establish a system which shall furnish a sustaining supply of timber sufficient to meet our demands we must draw a part of our supply from abroad, and it is imperative at the present time that we give this relief to our overburdened forests immediately.

Second. The present wasteful method of cutting trees privately owned without regard to protection of young trees or from forest fires should be stopped, and a minimum size of trees that may be cut should be prescribed, and proper measures to prevent the destruction of young and growing timber should be enacted by the several States in the exercise of the police power.

Third. By the establishment of artificial forests by planting seeds and setting out young trees where they can be, but are not now grown, and State legislation encouraging the same.

Fourth. For the protection of the small lumberman and to furnish him a fair and open market, with equal rights to all, and for the protection of the consumer of timber products from monopolistic systems and prices, I recommend, last, but not least, the uprooting and vigorous prosecution of two iniquitous trusts now existing in the United States—the lumber trust and the paper trust.

Not by any one of these remedies alone, but by all of them combined, can we hope to prevent our forests from extinction.

While the total timbered area in the United States exceeds that of Canada, the amount of timber per capita in Canada is probably ten or fifteen times greater than our own, and with proper relations existing between the two countries the importation of lumber into the United States from Canada would prove of mutual benefit to both countries.

Under the treaty of 1854 with Canada, logs and lumber were placed on the free list. In 1866 this treaty was terminated and a duty of 20 per cent placed on imports. In 1870 the duty on logs was removed, and since that time all logs have been on the free list. In 1872 a specific tariff was placed upon lumber, amounting to \$1 per thousand feet on whitewood, hemlock, and sycamore, and \$2 on white pine and other varieties. The Canadian authorities then retaliated immediately by placing an export duty on logs, which practically shut off from the mills along the border on the American side the supply of material from Canada. In October, 1890, the McKinley tariff went into effect, reducing the duty on white pine lumber from \$2 to \$1, under a tacit agreement with the Canadian authorities that their export duty on logs be abolished. August 28, 1894, the Wilson tariff went into effect, placing lumber on the free list with logs, except cedar and other enumerated varieties of wood and all cabinet woods. July 24, 1897, the Dingley tariff act went into effect, imposing a duty of \$2 per thousand feet on white lumber and \$1 on sycamore, basswood, and whitewood, as originally imposed in 1872. This was followed as before by retaliatory legislation on the part of Canada, which has practically put a stop to importation of logs from that country into the United States.

The history of tariff legislation shows that while both logs and lumber were admitted free from Canada no export duties or other restrictions on exportation of logs were imposed by that government, but that on each occasion when a high tariff was placed on lumber the Canadian authorities immediately retaliated by stopping the exportation of logs.

I express, I believe, the prevailing sentiment and desire of this country when I say that our relations with Canada should be most cordial and that reciprocity and not retaliation should be the aim of each country toward the other. Our geographical proximity, our common language, descent and religion, our interdependence in commercial and industrial relations create ties which bind us more closely to Canada than to any other country or dependency. I believe that no laws other than the natural ones of supply and demand and of business competition will ultimately be necessary to regulate our commerce with each other. But it requires the meeting of the minds of two parties to form a contract, and until such a treaty is made as will bring about a consummation of this relation of comity it is naturally incumbent upon the lawmakers of each to protect the interests of their respective countries ex parte.

Therefore, until such time as a satisfactory agreement can be reached between the two governments I will suggest that it might be advisable for this Government to enact automatic retaliatory duties upon Canadian manufactured products similar to those now contained in our statutes with reference to lumber and paper, but at the same time repeal all import duties now provided by law against their introduction so long as the Canadian government will permit logs and wood pulp to be exported to this country free of export duty or other restrictions, and pro-

viding, on the other hand, that in the event of the maintenance of export duties or other restrictions by Canada upon the exportation of logs and wood pulp, the President, by proclamation, may retaliate by imposing an ad valorem duty upon the manufactured products imported from Canada.

One of the remedies which I suggested a while ago for perpetuating our forests is regulation by State law of the manner in which timber shall be cut—that is, that a minimum size of tree that may be cut shall be prescribed and suitable provisions made to preserve the young and growing timber. This is a subject which is clearly within the police powers of the States, the timber supply being a subject deeply affected by the public interest.

Another remedy which I suggested was the encouragement of tree planting. In the past the raising of artificial groves was encouraged by the timber-culture laws of the United States. In some States, including South Dakota, provisions have been made by statute for the exemption of real property from taxation for a certain period where trees are planted, cultivated, and grown. Much is also being accomplished toward the desired protection of the forests by public sentiment, stimulated by forestry associations, and a great work is being accomplished along this line by the American Forestry Association, of which Hon. James Wilson, Secretary of Agriculture, is president.

I shall now discuss these two great trusts I have just mentioned, which occupy a position between and prey upon the independent lumberman and the producer of raw material on the one hand and the purchasing public on the other, constituting disturbing factors in commercial and industrial affairs—the lumber trust and the paper trust. The similarity of their methods and the fact that both deal in the products of the forest justifies me in considering them together; but, previous to doing so, I desire to draw a distinction between those trusts which I consider inimical to social and industrial life from those helpful organizations of capital which tend to build up our industrial and commercial institutions and interests.

Present day commercial and industrial conditions undoubtedly require the combination of individual capital into corporations, that being a method more convenient and safer for the investor than a copartnership—and there may, indeed, be associations of corporations for lawful and legitimate purposes, for example, where by such combination the cost of production of the article manufactured is decreased or expenses reduced; but there is another class of combinations the real purpose of which (whatever its ostensible purpose may be) is to stifle competition and exact exorbitant prices in some line of business or commerce. In order to gratify their demands for large dividends on fictitious capital, the prices which they fix, not being regulated by the natural laws of supply and demand nor restrained by healthy competition, constitute a confiscation of the purchasing public's money without giving just compensation or equivalent. Such a trust is an engine of oppression, a producer of commercial and financial disturbance, a menace to society, and should not be tolerated. It is this class which I condemn.

The lumber trust is probably the most thoroughly entrenched, well-organized, and subtle institution of its kind in the country, and its power is felt and its tribute levied throughout the length and breadth of the land. Its malevolent influences not only extend to the purchaser, but also to the independent lumberman. There are several so-called "lumbermen's associations" in the United States, each having jurisdiction over certain prescribed territory, and all of which act in concert, having one common head. This is the lumber trust, and it is within the power of a coterie of men, whom you can count on the fingers of one hand, not only to fix the prices at which lumber shall be sold at retail, but also to prescribe to whom the small lumberman may sell his product. As the distiller of petroleum, having a monopoly of the trade, can dictate the price of the raw oil to the producer and also the price of the refined oil to the purchaser, so this lumber trust thrives as an intermediary in the lumber trade, depriving the small lumberman of a fair market and exacting an exorbitant price from the consumer.

The methods of these associations are autocratic in the extreme. They issue periodical confidential blacklists to what they term the "regular" trade—that is, to the lumber dealers in and controlled by the trust, both wholesalers and retailers—giving a list of those who violate the ironclad rules which the association or trust lays down. The retail dealer is warned against buying lumber from a proscribed lumberman who sells his lumber to others than the so-called regular dealers; and, on the other hand, the lumberman who has the audacity to sell to any person or retailer other than the regular retailers in the trust is blacklisted if he continues that practice and warned that he must sell only to the regulars. An instance of the exercise of

the power of this trust to prevent independent selling and buying was called to my attention last summer by a gentleman who while in northern Minnesota had made arrangements with the proprietor of a small sawmill for the purchase of a carload of lumber to be shipped later. Some time afterwards the car was shipped and he received his bill of lading. After waiting a reasonable length of time and the car not arriving, he attempted to trace it, but was unable to do so. He ascertained that the car had in fact been shipped, but that through some mysterious agency it had been stopped in transit and never reached its destination. As his only alternative he put in a bill to the railroad company for the value of the car of lumber, which was readily paid, but he never could ascertain what had become of the car of lumber. The fact was, as he well knew, that the lumber association, having control of that particular division, had prohibited that independent sawmill man from selling to anybody excepting the "regular" trade, as they term it.

Further, this autocratic system prescribes a minimum price at which lumber may be sold at retail, and if any retail dealer sells for less than that amount he is blacklisted and his supply shut off, and he will not be able to buy lumber anywhere. If some unsophisticated person starts an independent lumber yard in a town, he is at once notified by the association that he must conform to their rules, buying only from regular wholesalers and not selling below the minimum price fixed by them. If he should refuse to comply with their demand, he will soon find that he has been blacklisted and will be unable to procure the lumber necessary to conduct his business. Competition is in this manner entirely eliminated and a monopoly of the lumber business obtained. The price, both to the lumberman and to the purchaser, is fixed by this artificial law and not by the natural law of supply and demand and healthy competition. In the State in which I live there are agencies of old-line lumber companies, but there is no competition between them, all of them being regulated by the trust's rules and commands, and the builder desiring to have different yards figure on a bill of lumber will find when he comes to compare the estimates furnished him that there is little or no difference in the figures, and if he had possession of the minimum list furnished by the trust he could readily ascertain which one had come the nearest to it. While the trust imposes a minimum price on the retailer, there is no maximum. They can bleed the purchaser for as much as they please above the minimum price. The profits derived by the trust from this method of transacting business can be readily appreciated. They are in position to force the bona fide small lumberman down to the lowest notch when they purchase from him, and by maintaining this minimum price fixed by them at such arbitrary figure as they see fit they regulate from time to time the tribute which they shall levy upon the consuming public. Is it any wonder that recently it was learned that one man in this trust had accumulated quietly and inconspicuously a fortune which rivals that of the famed oil king?

We all know how the prices of lumber have advanced during the last ten years. They have increased from 50 to 100 per cent and even more. This is undoubtedly due to two causes: First, the natural cause, the decrease in supply; but more than that, it has been caused by the artificial law furnished by this lumber trust that can prescribe the prices at which lumber may be sold.

I read the other day of a small independent lumber concern in North Carolina that was forced into the hands of a receiver. Why? Was it because they did not have a market for their lumber? There never was a greater demand for lumber than there is to-day, but the trust limits the supply which can be put upon the market. It stands in this intermediary position between the producer and the consumer where it can say to the producer "you shall produce and sell so much and no more;" and then say to the consumer "you shall pay so much and no less." It stands in this position between the producer and the consumer and, as I say, it has exerted an unhealthy influence upon the country and is a disturbing factor in the industrial and commercial affairs of the country.

Mr. HILL of Connecticut. Will the gentleman from South Dakota yield?

Mr. HALL. I will.

Mr. HILL of Connecticut. The gentleman seems so familiar with these facts that I want to ask him if it can be possible that in Texas and Mississippi and Georgia and Florida and North Carolina such things can be going on?

Mr. HALL. All I can say to the gentleman in reply to that is—

Mr. HILL of Connecticut. That trusts are organized and directing the control of this industry and the citizens are saying and doing nothing?

Mr. HALL. There are a number of associations throughout the United States, it is said, who have control over certain territory. I think there are six or seven of these associations. They have a common head, where the circulars are printed and they furnish the supply. Now, these circulars are printed in the same type and the prices are substantially uniform, but different heads are placed on them for the different associations. I want the gentleman to understand this, that I do not claim that every lumberman's association is implicated in this trust combination.

Mr. HILL of Connecticut. I wanted to know if they existed in these Southern States—Arkansas and the others?

Mr. HALL. I do not reside in the South, and I can not state from actual observation. The best of my information is that this condition extends from the Eastern coast to the Western coast and from the Northern to the Southern boundary, and operates to the detriment of the independent producer just as much as it does of the consumer.

This trust, as I have said, is one of the most iniquitous, far-reaching, and monopolistic combinations in the United States. It is not only a disturber of commercial and financial conditions, but a most gigantic engine of oppression, and at the expense of the deforestation of our country, at the expense of the independent lumberman and the helpless purchaser, at the expense of the growth, development, and upbuilding of the country, is levying a tribute to enrich a handful of men beyond the dreams of Croesus. This enormous power must be broken and this trust dissolved if ever the lumber trade, both from the standpoint of the producer and the purchaser, is to be placed upon a fair and legitimate basis.

A letter written by Mr. Herman Ridder, president of the American Newspaper Publishers' Association, to the Attorney-General under date of March 4, 1908, appears in the CONGRESSIONAL RECORD of March 6, calling attention to the paper trust and its disastrous effects upon publishers and the reading public and showing the manner of its operations and how it is waxing fat at the expense of that great hard-worked and brainy army of news and magazine publishers of the country—an army which is as essential for the protection of the liberties of the people and infinitely more essential for their enlightenment than our armies in the field and our floating forts upon the seas. My time being limited, it will be impossible for me at this time to exhaust this subject, but suffice to say that it appears that the International Paper Company is a trust in active operation that originated in 1898, absorbing twenty-four paper mills, producing about 80 per cent of the entire American output, capitalized for \$55,000,000 on property which could probably be reproduced by a present investment of \$15,000,000; that since its organization it has taken in other mills, and the purchasers of paper are paying extraordinary dividends on the watered stock of this concern.

Mr. Ridder says, and he is in a position to know, that the seven groups of the American Paper and Pulp Association connected with this trust cooperate to stifle competition, to increase prices, and to put an additional burden of \$60,000,000 per annum upon the printing and publishing interests of the country without other justification than the power of combination. He calls attention to the records of proceedings, showing that a pool was formed under the chairmanship of one John H. Parks, their proceedings, among other things, containing an agreement to fix prices and to advance them—an advance that ultimately reached \$12 per ton—restrictions of production and allotments of output by each of the twenty-four mills, divisions of 70 per cent of the proceeds of the pool, allowance to mills that shut down, imposition of penalty for shipment in excess of allotments, restriction of shipping to a special class, the fixing of commissions therefor, participation in the organization by members of the General Paper Company, who had been prohibited by a Federal court from participating in such combinations, and instructions to counsel to find a plan for conducting the affairs of the association in such manner as to defeat any attack made upon it by the Federal or State governments.

He further shows that at one of the pool meetings held in February, 1907, an advance of \$3 per ton was ordered, another \$3 advance in May, another one of \$4 in August, and that in November a shut down of one week was ordered to restrict production, thus artificially stimulating the price. Mr. Ridder says:

News-print paper mills that are not entirely modern are now making paper at figures that show a profit of more than \$20 per ton on the paper prices just announced by the International Paper Company (\$52.50 per ton). In other words, for paper delivered say, in New York, up-to-date mills are making a profit of more than 60 per cent on the cost of manufacture, delivery, and storage, and they are making a profit of 40 per cent upon a reasonable allowance for the capital required by a modern plant. * * * In 1905, when the In-

ternational Paper Company was admittedly selling paper at \$38 per ton, delivered on the sidewalk, it made a profit of \$5 per ton, as shown by its annual report, indicating that the cost delivered on the sidewalk was \$33 per ton, and that the cost at mills was averaging about \$29 per ton. * * * These illegal combinations have imposed burdens upon consumers of all kinds of paper, and, if carried out as indicated by the published utterances of the leaders of the various groups, they will add at least \$60,000,000 per annum to the cost of paper as compared with two years ago.

These facts speak for themselves.

Mr. TIRRELL. I would like to ask the gentleman if in that letter there are any facts to substantiate that statement, and also whether it has not been shown, and he has not admitted, that the facts as quoted from the remarks of the distinguished gentleman from Pennsylvania [Mr. DALZELL], obtained from the Bureau of the Census, were not entirely correct as to the prices of paper.

Mr. HALL. I will say in reply to the gentleman that all I know about the letter is what appears in the RECORD. It purports to be extracts from the letter and perhaps not the complete letter itself.

The distinguished gentleman from Massachusetts [Mr. TIRRELL] recently, in his remarks made in this House, stated that about one-third of the pulp wood is imported from Canada, and that "the trouble is there is not raw material here sufficient to keep the mills going." Further, he made several quotations from Canadian sources indicating their intention to impose an export duty on pulp wood so as to preserve the paper market to that country. Now, if we are in need of the raw material from Canada for our paper mills, clearly we should impose no import duty upon wood pulp; and if our paper manufacturers can, as stated by the gentleman from Massachusetts [Mr. TIRRELL], manufacture such a superior quality of paper, which outsells the Canadian paper, and the insignificant 15 per cent duty on paper is not necessary for the protection of the American paper mills, then that should be abolished.

This would not necessitate the abolition of the retaliatory features of the statute. While the facts stated by the gentleman show a great familiarity with the subject, conceding his premises and the facts as stated by him, I am unable to arrive at the same conclusion logically that he did, because he stated that the manufacturers of paper in the United States could produce paper more cheaply and of better quality than could be produced in Canada, and—

Mr. TIRRELL. Did I not add, provided the present law was continued by which our manufacturers were able to obtain pulp wood free from Canada?

Mr. HALL. I had not completed my remark. The gentleman stated that the 15 per cent ad valorem duty was insignificant and that the paper manufacturers of the United States did not require that insignificant 15 per cent duty for their protection, but he did advocate, as I recollect it—and if I misquote the gentleman I beg leave to be corrected—the retention of the wood-pulp tariff of about \$1.66 a ton, or at any rate the portion of the tariff law which imposes a retaliatory or countervailing duty, which works automatically. Am I correct about this?

Mr. TIRRELL. Yes.

Mr. HALL. Now, I will ask the gentleman from Massachusetts [Mr. TIRRELL] if he, representing as his constituents the paper manufacturers, desires to be understood—I did not quite glean it from his remarks—that he advocates the retention of the present duty on wood pulp?

Mr. TIRRELL. As a retaliatory duty to secure free admission of pulp wood only.

Mr. HALL. In conclusion, I desire to urge and emphasize the necessity for prompt legislation by this body along the lines which I have indicated. The repeal of these tariff duties on the products of the forest does not necessitate any general revision of the tariff laws. This subject stands in a class by itself. The timber supply of the country can be preserved and assured, but only by prompt action on our part. This Sixtieth Congress is the pilot at the wheel of the ship of state and upon it now devolves the responsibility of its course. The breakers are already in sight and the dull boom of the swell on the rocks is heard admonishing us of our impending fate. Shall we continue on the present course to wreck and disaster, bringing upon our heads the reproach and anathemas of our countrymen and future generations? Shall we earn the contempt and ridicule of wiser and more provident sister nations? Shall we receive the criticism and condemnation of future historians for being improvident, unwise, and impractical? I trust not. Let us promptly crystallize into law at least one of the recommendations urged in the message of a wise, patriotic, and far-seeing President. Let us not, by looking only to the profits of to-day from the forests, be lulled to sleep by the fragrant incense burned at the shrine of Mammon, nor lured to destruc-

tion by the sweet-voiced siren who sings of delay because of self-interest or for political expedient, but let us arouse from this stupor of apathy, put the helm hard a port, and swept by the fair breeze of righteous public sentiment, guiding our course by the polar star of patriotic duty, sail into the harbor of safety. [Applause.]

Mr. BOWERS. Mr. Chairman, I yield fifteen minutes to the gentleman from New Jersey [Mr. HUGHES.]

Mr. HUGHES of New Jersey. Mr. Chairman, some time ago I introduced in this body the following amendment, which I now send to the Clerk's desk and ask to have read:

SECTION 1. That the act entitled "An act to regulate trade and commerce against unlawful restraint and monopolies," approved July 2, 1890, be, and the same is hereby, amended by adding to it the following section, to be known as "section 9":

"This act shall not be construed to apply to any arrangements, agreements, or combinations between laborers made with the view of lessening the number of hours of labor or of increasing their wages, nor to any arrangements, agreements, or combination among persons engaged in horticulture or agriculture made with the view of enhancing the price of agriculture or horticulture products."

This is an amendment to what is commonly known as the "Sherman antitrust act," which became a law in the year 1890.

At that period the people of this country were very much wrought up over the conduct of certain great aggregations of capital, which had already begun to make their existence felt. These trusts, as they were beginning to be called, true to the very nature of their being and in accordance with the objects and purposes of those who had called them into existence, had, to a greater or lesser extent, succeeded in destroying their competitors, and while at that time only a few commodities were under their control, yet that control was such and the use they made of their power was such that the people came to fear the unseen operations of these combinations.

The attitude of the public mind on the subject found its expression in a number of bills introduced into State legislatures all over the country and in the Senate of Congress and in this House.

One of these bills was the act to which I have referred, introduced by Senator Sherman, of Ohio. The debates published in the CONGRESSIONAL RECORD plainly show to anyone who cares to go over the history of that period as reflected therein just what was in the minds of the legislators on this subject.

There can be no question but that this legislation was intended to reach the vast combinations of capital like the Western Union Telegraph Company, the beef trust, the Standard Oil Company and hundreds of others which now affect us, but were not then in existence. The debates also show that many of the Senators feared that the proposed legislation might be more far-reaching than it appeared to be on its face, and that in addition to curbing and controlling the trusts it might possibly be so construed as to include those organizations commonly known as "labor unions," the right of which to exist and operate up to that time had never been questioned, at least so far as Federal legislation was concerned.

In this connection I desire to call the attention of the House to the following language, uttered when the Sherman Act was under consideration, by Senator TELLER, of Colorado, in a colloquy with Senator George:

[Fifty-first Congress, first session, p. 2561.]

Mr. TELLER. There has recently been organized, in the Northern States more particularly, and I suppose it will spread all over the country, what is called a National League among the farmers, for the same identical purpose that the Farmers' Alliance has been organized for. Shall it be said that these organizations are forbidden by law? Is it possible that we are putting it in the power of some men to coerce and force the farmers to abandon these organizations? Does anybody believe that these organizations are inimical and hostile to the public welfare? On the contrary, does not everybody know that unless we can by some method increase the price of farm products in this country a great many farmers in the United States will be in bankruptcy and turned out of their homes?

Mr. TELLER. That is what I was saying. It seems to me that is the fact. While I am extremely anxious to take hold of and control these great trusts, these combinations of capital which are disturbing the commerce of the country and are disturbing legitimate trade, I do not want to go to the extent of interfering with organizations which I think are absolutely justifiable by the remarkable condition of things now existing in this country.

I believe this bill will go further than that. I believe it will interfere with the Knights of Labor as an organization. While I have never been very much in love with the Knights of Labor, because of some of their methods, yet their right to combine for their mutual protection and for their advancement can not be denied. While in many instances I think they have gone beyond what they should have done, beyond what was legitimate and proper, yet, on the whole, we can not deny to the laborers of the country the opportunity to combine, whether for the purpose of putting up the price of their labor or securing to themselves a better position in the world, provided always, of course, that they use lawful means. I do not believe the mere fact of combining to secure to themselves a half dollar a day more wages or greater influence or power in the country can be said to be an unlawful combination.

Mr. GEORGE. Will the Senator allow me to interrupt him there?

Mr. TELLER. Certainly.

Mr. GEORGE. The Knights of Labor, as I understand, are an organization composed of citizens of the different States of the Union, probably of every State of the Union. The object of that organization, as I understand furthermore, is to increase the price of their wages. Now, increasing the price of wages has a tendency, in the language of this bill, to increase the price of the product of their labor. Are they not also included, then, in the bill of the Senator from Ohio?

Mr. TELLER. When I said that the Knights of Labor were included I meant that they were included both in the civil provisions and in the criminal provisions. In my judgment, they are in both. I do not believe that anybody in the Senate proposes to go to that extent. It is suggested to me by a Senator near me that the Typographical Union would come in in the same way.

Mr. HISCOCK. And it would practically include all the trades unions. Mr. TELLER. It would practically include perhaps all the trades unions in this country. Many of these organizations are corporations. If they are not, at least they will be termed "combinations" under this bill.

Senator TELLER, to further illustrate the point he was making, asked leave to insert and did insert in the RECORD a document headed, "Pathetic plea for aid—East End tailors of London petition the Queen for help—A hopeless set of workmen," which, with the permission of the House, I desire to have printed in the RECORD accompanying my remarks.

This paper set out the deplorable condition of a number of English workmen who had been crushed by the remorseless sweating system of their time.

Senator TELLER, in the course of his remarks, asked the Senator from Ohio if it was the intention of the bill to have its provisions apply to men like these. Various other Senators also questioned the propriety of the legislation for the same reason.

Senator Morgan, referring to this subject, said:

There is a great deal of danger. I think I can see it in almost every direction in legislating upon questions of this kind. The Senator from Nevada [Mr. Stewart] has called attention to a very important topic in this connection. I do not know of anything that has a greater or a more direct impression upon our foreign commerce and our interstate commerce than the price of labor. There are combinations among our laboring men of various different fraternities continually being made for the purpose of raising the price of labor. The price of labor when raised by combination, or, if you please so to call it, by a conspiracy, or in the nature of a trust confided to the hands of some managing committee, some steering arrangement—combinations of that kind to raise the price of labor must necessarily increase the price of commodities in interstate commerce and international commerce, at least to the extent of the exports that we send abroad.

Now, while we are legislating against all such combinations and conspiracies that affect the price of commodities interchanged between the States of this Union, what are we to say to the men who, in their Knights of Labor and in their wheels and in all of their various organizations, meet together for the very purpose of raising the price of labor in the particular industry in which they are concerned or the price of labor generally? Labor is a commodity bought and sold every hour in the day. It is so much a commodity as that we forbid its importation here when it comes under contract; we treat it just as we would spurious medicines or base coin or something of that sort; we tax it as we do oleomargarine. We treat labor precisely as if it were a commodity, and it is a commodity that is imported into this country.

If we pass a law here to punish men for entering into combination and conspiracy to raise the price of labor, what is the reason why we are not within the purview of the powers of Congress in respect to international commerce? Who can answer the proposition as a matter of law?

So insistent were the Senators on this point, which was perhaps the one most potently urged against the bill, that Senator Sherman, the author of the bill, took great pains to assure the Senators that they were in error, and I here quote from his remarks on the subject:

Mr. SHERMAN. Mr. President, all I desire is that this bill, the object of which I believe is approved by more than three-fourths of the Senate, should be treated like all other bills that have been carefully considered by a committee of this body and reported to the Senate. To attempt to defeat this bill by offering various other bills from other committees or from the other House on different branches of the same subject or on entirely different subjects, is not the proper way to deal with the work of a committee.

Now, let us look at it. The bill as reported contains three or four simple propositions which relate only to contracts, combinations, agreements made with a view and designed to carry out a certain purpose, which the laws of all the States and of every civilized community declare to be unlawful. It does not interfere in the slightest degree with voluntary associations made to affect public opinion to advance the interests of a particular trade or occupation. It does not interfere with the Farmers' Alliance at all, because that is an association of farmers to advance their interests and to improve the growth and manner of production of their crops and to secure intelligent growth and to introduce new methods. No organizations in this country can be more beneficial in their character than farmers' alliances and farmers' associations. They are not business combinations. They do not deal with contracts, agreements, etc. They have no connection with them. And so the combinations of workmen to promote their interests, promote their welfare, and increase their pay, if you please, to get their fair share in the division of production, are not affected in the slightest degree, nor can they be included in the words or intent of the bill as now reported.

Senator George, despite the fact that Senator Sherman believed it unnecessary, then offered the amendment which was unanimously adopted by the Senate, and which I have again introduced and on which I am now addressing the committee.

Later on in the debates, in answer to a suggestion of some Senator, Senator Hoar, of Massachusetts, a State that has long

been renowned for the liberality and equity of its labor legislation, commented on the George amendment as follows:

Mr. HOAR. When you are speaking of providing to regulate the transactions of men who are making corners in wheat, or in iron, or in woolen, or in cotton goods, speculating in them or lawfully dealing in them without speculation, you are aiming at a mere commercial transaction, the beginning and end of which is the making of money for the parties, and nothing else. That is the only relation that transaction has to the state. It is the creation or diffusion or change of ownership of the wealth of the community. But when a laborer is trying to raise his wages or is endeavoring to shorten the hours of his labor, he is dealing with something that touches closely, more closely than anything else, the government and the character of the state itself.

The maintenance of a certain standard of profit in dealing in large transaction in wheat or cotton or wool is a question whether a particular merchant or a particular class of merchants shall make money or not; or shall deal lawfully or not, shall affect the State injuriously or not; but the question whether the standard of the laborer's wages shall be maintained or advanced or whether the leisure for instruction for improvement shall be shortened or lengthened is a question which touches the very existence and character of government of the State itself. The laborer who is engaged lawfully and usefully and accomplishing his purpose in whole or in part in endeavoring to raise the standard of wages is engaged in an occupation the success of which makes Republican government itself possible, and without which the Republic can not in substance, however it may nominally do in form, continue to exist.

I hold, therefore, that as legislators we may constitutionally, properly, and wisely allow laborers to make associations, combinations, contracts, agreements for the sake of maintaining and advancing their wages, in regard to which, as a rule, their contracts are to be made with large corporations who are themselves but an association or combination or aggregation of capital on the other side. When we are permitting and even encouraging that, we are permitting and encouraging what is not only lawful, wise, and profitable, but absolutely essential to the existence of the Commonwealth itself.

When, on the other hand, we are dealing with one of the other classes, the combinations aimed at chiefly by this bill, we are dealing with a transaction the only purpose of which is to extort from the community, monopolize, segregate, and apply to individual use, for the purposes of individual greed, wealth which ought properly and lawfully and for the public interest to be generally diffused over the whole community.

Mr. HOAR. I put in the committee, if I may be permitted to say so (I suppose there is no impropriety in it), the precise question which has been put by the Senator from West Virginia, and I had that precise difficulty in the first place with this bill, but I was answered, and I think all the other members of the committee agreed in the answer, that "monopoly" is a technical term known to the common law, and that it signifies—I do not mean to say that they stated what the signification was—but I became satisfied that they were right and that the word "monopoly" is a merely technical term which has a clear and legal signification, and it is this: It is the sole engrossing to a man's self by means which prevent other men from engaging in fair competition with him.

Of course a monopoly granted by the king was a direct inhibition of all other persons to engage in that business or calling or to acquire that particular article, except the man who had a monopoly granted him by the sovereign power. I suppose, therefore, that the courts of the United States would say in the case put by the Senator from West Virginia that a man who merely by superior skill and intelligence, a breeder of horses, or raiser of cattle, or manufacturer, or artisan of any kind, got the whole business because nobody could do it as well as he could was not a monopolist, but that it involved something like the use of means which made it impossible for other persons to engage in fair competition, like the engrossing, the buying up of all other persons engaged in the same business.

Senator Sherman expressed himself as being perfectly satisfied with the George amendment, and asked the Committee of the Whole to insert it in the bill. He complained, however, of many other amendments which were adopted and charged that it was the intent and purpose of some Senators to so load down the bill with bad amendments as to insure its destruction.

Senator Sherman stated over and over again that his bill was extremely simple, was intended only to curb aggregations of capital, which were destructive of competition and oppressive to the people, and had no other object in view.

It was finally, against his wish and against his vote, together with that of many other Senators, referred to the Committee on the Judiciary of the Senate, and when it emerged from that committee it did not contain the George amendment, nor did it contain any language on the subject of labor unions, nor anything calculated to lead any person to believe that its provisions contemplated anything but the regulation and control of the so-called "trusts" of the time, which had furnished a reason and a necessity for this legislation.

The bill when it came to the House was passed hurriedly, as may be gathered from the statement of the gentleman from Illinois [Mr. CANNON], the present Speaker of this House.

Mr. CANNON. * * * Now, then, I want to say I believe this bill to be a good one; and I will be honest enough to say that I have not been able to give its provisions much consideration. I have not been a legislative drone this session of Congress; but after reading it and listening to the explanation of its provisions, it seems to me that it is a measure of great value, conservatively drawn, and discussed at the other end of the Capitol, and comes to this House with the unanimous support of the able committee presided over by the able gentleman from Ohio, Mr. Ezra B. Taylor. What does it do? It defines the combinations and conspiracies in restraint of trade among the several States and with foreign countries and declares them illegal. Then it furnishes a remedy:

First. It makes such combination or conspiracy a misdemeanor punishable by fine or imprisonment.

Second. It gives to any person injured by such combination an action for damages, and he can recover three times the damages sustained, with costs, including a reasonable attorney's fee.

Third. It invokes the equity side—the great restraining power of the court—and makes it the duty of the United States district attorneys, under the direction of the Attorney-General, to go upon the equity side of the court and invoke the strong hand of the chancellor, backed by the whole power of the United States, and cause the same to be laid upon any person or corporation in the United States that is violating, or about to violate, the provisions of this act, and compel him to halt—to refrain from or to cease violating the same.

Fourth. It forfeits to the United States any property owned under any contract or by any combination which is used in violation of the provisions of the act.

This is a short summary of the facts in connection with the passage of this very important legislation.

Everyone familiar with the events of recent times is aware that so far as the original purposes and objects of the bill are concerned, or at least so far as its administration is concerned, it has been a conspicuous and total failure. Where at the time of the passage of the act there was one trust in existence, there is at the present time a hundred, fattening themselves on the production of the people of this great nation.

While it seems it was not possible to reach combinations of capital through this legislation, no such difficulty has been experienced in applying its provisions to organizations of labor.

The labor unions of this country or the organized workmen of this country, demanding as they do a fair share of that which they produce, have many and powerful enemies in high places throughout this land, but up to this time the bitterest of these has never contended that any legal barrier should be placed between the workman and his right, in combination with his fellows, to withdraw from employment in order to enforce his demands. It seems now, however, according to the decision of the Supreme Court of the United States in what for convenience I will call the "Danbury hat case," this right is not only to be questioned but denied.

It seems that under the provisions of an act avowedly and specifically passed for the purpose of protecting the people of this country against the machinations of combined wealth an instrument is found to strike from the hands of these people the most powerful weapon they could wield to protect themselves against these attacks.

The facts in this case are as follows, and as gathered from the opinion of the Supreme Court: Plaintiffs were manufacturers of hats in Danbury, Conn., having a factory there and engaged in trade in other States; that they were dependent upon interstate trade to consume the product of their factory; the defendants were members of the United Hatters of North America; that defendants were engaged in a scheme to force the manufacturers of this class of hats, including the plaintiffs, to unionize their factory; that out of eighty-two manufacturers of this country, seventy had so organized their factories; that plaintiffs refused the demands of defendants, and defendants thereupon to enforce said demands caused its members to simultaneously withdraw from the employment of defendants, and that defendants thereupon gave notice to its members and friends throughout the country that it had done so.

This conduct on the part of the hatters' union the Supreme Court says brings it within the provisions of this act. This suit was started in the United States circuit court for the district of Connecticut, and I am informed is of such a character that the property of every individual member of that union is involved in the present suit. So much for the legislation and the decisions of the court on the subject.

Now, Mr. Chairman, the millions of laboring people of this country, every one of whom is more or less involved in this legislation and in this decision, are looking to this Congress for relief, and they have a right to expect relief from us. They have a right to expect relief from this Administration. The Republican party has been able to convince them in nearly all the elections of recent years that it was a sincere friend of the producing masses of this country. You have told them in season and out of season, on the stump throughout this country, and on the floor of this House, that your one great object and one care was to look after the welfare of the workingmen of this nation. You have excused the oppressive tariff on the plea that its exactions were necessary in order that good wages and satisfactory conditions might be secured to the laboring men of this country. I have seen gentlemen on the other side of the House almost in tears at the thought of what would ensue should any desecrating hand touch these sacred tariff schedules, and thus interfere with your special wards and protégés.

Mr. Chairman, in addressing myself to this subject at this time, I am exercising one of the few prerogatives that is left to a Member of this one-time deliberative body. Things have come to a pass, and the rules of this House are such, that we deliberate when we are told and we stop deliberating when we are told to stop deliberating. [Applause].

I introduced this amendment shortly after the decision of the Supreme Court in this case, and it was referred to the Committee on the Judiciary, that veritable Golgotha, bristling with the bones of bills embodying the wishes and desires of the people. The rules of the House provide no way in which I, a Member of this body, representing a sovereign constituency, can have an opportunity to lay this matter before the House for action.

Like any other legislator who has confidence in his measure I would regard it a privilege to be permitted to bring this matter before the House and discuss it with the other Members of this body. This privilege is denied to me, and therefore I am exercising one of the few prerogatives that is left and am attempting to call the attention of the committee, the House, and the country in the hope that the powers that be may be influenced to move in the matter. I can not leave this phase of the subject without calling the attention of the House to the fact that when the criminal code bill was under consideration in this body it then had an opportunity to pass similar legislation to this.

Section 19 of the criminal code bill provided that if two or more men should conspire to injure, oppress, threaten, or intimidate any citizen in the free exercise of a right or privilege secured to him by the Constitution or laws of the United States they should be subject to a fine of \$5,000 and imprisoned not more than two years and be ineligible to office.

The Members will remember that I, at that time, offered an amendment to that section providing in general language that it should not apply to combinations of persons agreeing to leave or enter the employment of another.

The same arguments were advanced against this amendment as were advanced in favor of the Sherman bill. It was held that the section could not possibly apply to the kind of combinations that the section dealt with. Vainly did the Members on this side of the House beg the majority to make assurance doubly sure by stating in unqualified language that the section did not apply, but the amendment was defeated and shortly afterwards the decision of the Supreme Court in the "Danbury hat case" showed that the provisions of the said section did apply.

You have posed for years as the shield and buckler of the laboring class and it looks to you now to make good your pretensions and to relieve them from this oppressive legislation, for which you so proudly claim the credit. They are, perhaps, beginning to realize that there is some slight inconsistency in your avowed friendliness for them, which has hitherto manifested itself in compelling them to purchase the commodities of life from the trusts in a protected market while forcing them to sell their labor in a market that is open to the competition of the world.

They are, perhaps, beginning to notice the inconsistency that shuts out from them what they eat and wear, and overwhelms them with what they sell—their labor. They are beginning to ask, perhaps, how it is that in the operations of an Administration so friendly to them a satisfactory eight-hour law can not be passed. They are beginning to wonder about the mysterious end of various and sundry bills to limit traffic in convict-made articles. They are even demanding to know why it is that from a Government, Republican in all its branches, they can not get anti-injunction legislation.

The gentleman from Pennsylvania a few days ago, at the beginning of his very able speech, took occasion to classify himself as one of those who believed in the policy of the President, and in the next breath he said, as though by an uncontrollable association of ideas, "We are about to enter on a Presidential campaign." I submit that fact to you, gentlemen, and Mr. Chairman, in connection with this legislation that I have been speaking about. I submit it to the Speaker, whose power and influence is admitted from one end of this land to the other; I submit it to his friend from Illinois [Mr. BOUTELLE], who put him in nomination here the other day for the Presidency, and I respectfully say to him that the fervent speech by the gentleman from Illinois [Mr. CANNON], from which he quoted, demanding the publication and distribution of public documents to the farmers and workmen of this country, did great credit to that gentleman; but, Mr. Chairman, there are matters of much more moment to the farmers and workmen of this country than the distribution of horse books and poultry bulletins can ever be, and I assert that more benefit can be done to these people whom every candidate for the Presidency is now so anxious to aid, by the passage of this legislation, than by the distribution of all the public documents that have been sent out in the last thirty-two years. [Applause.]

"Friends of the people are known by acts and measures and not by words." These words were uttered by Demosthenes three hundred and twenty-eight years before the birth of Christ, and were quoted with approval by a distinguished gentleman

of our own time, who took occasion to remark that "words were good when backed by deeds, and only so."

Mr. Chairman, so far as those who toil are concerned, we have reached a crisis in the affairs of this nation. The working people of this country are law loving, law-abiding, and peaceful. No man who has not had the experience knows how they shrink from the thought of entering upon that last resort—the strike. They fully realize the consequences thereof. They know that the issue is always doubtful, and the result to them is bound to be trouble, privation, and, perhaps, suffering for themselves and those whom they love. But they know, Mr. Chairman, as you know, that it is their only effective weapon when all peaceful efforts have failed, and that without it they can not fail to sink to the level of those unhappy people who flocked to our shores to escape similar conditions.

In my judgment the American workingman in the coming campaign is going to demand of this Administration and of the Republican party an account of its stewardship. He is going to demand to be told who it is that has betrayed him. He is going to ask how it is that, with a flood of litigation threatening him on one hand and a flood of immigration overpowering him on the other, the weapons on which he relies to fight this unequal battle have been stricken from his hands; that the shield of his organization which is interposed to protect him from these evils has been torn away; and he will, perhaps, become at last aware of the fact that a great party, which has used him as a cloak behind which to hide the plunder of the people, has stabbed him in the back to prevent him from claiming his share of that which he produced. [Applause.]

APPENDIX.

OFFICE OF SECRETARY-TREASURER,
UNITED MINE WORKERS OF AMERICA,
Indianapolis, Ind., February 28, 1908.

HON. WILLIAM HUGHES,
House of Representatives, Washington, D. C.

DEAR SIR: Inclosed herewith find copy of preamble and resolutions on the subject of the injunction in labor disputes, unanimously adopted by the nineteenth annual convention of the United Mine Workers of America, held in Indianapolis, Ind., January 21 to February 3, 1908.

We ask that you carefully read the same and give the subject-matter your earnest consideration.

Respectfully, yours,

JOHN MITCHELL, President.
W. B. WILSON, Secretary-Treasurer.

OFFICE OF SECRETARY-TREASURER,
UNITED MINE WORKERS OF AMERICA,
Indianapolis, Ind., February 28, 1908.

HON. WILLIAM HUGHES,
House of Representatives, Washington, D. C.

DEAR SIR: Inclosed herewith find copy of preamble and resolutions relating to the principles of the McHenry bill, which were unanimously adopted by the nineteenth annual convention of the United Mine Workers of America, held in Indianapolis, Ind., January 21 to February 3, 1908.

We trust that this bill or a bill embodying these principles may receive your careful and favorable consideration.

Respectfully, yours,

JOHN MITCHELL, President.
W. B. WILSON, Secretary-Treasurer.

The special committee on injunctions reported the following preamble and resolutions to the nineteenth annual convention of the United Mine Workers of America, which were unanimously adopted:

We, your committee on government by injunction, after a thorough investigation of the subject, beg leave to submit the following for your careful consideration:

There is no one right for which the English-speaking people of the world have contended with greater zeal than that of trial by jury in all cases where alleged violations of the law have taken place and the life, liberty, or property of any citizen has been involved.

The peace of Wedmore, concluded between Alfred the Great and Guthram the Dane, in the year 878 A. D., provided that "If a king's thane be charged with killing a man, if he dares to clear himself, let him do it before twelve kings' thanes." The Magna Charta of Great Britain, wrested from King John because of the arbitrary methods of his judicial agents, declared that "No freeman shall be taken, or imprisoned, or dissolved, or outlawed, or banished, or in any way destroyed, nor will we pass upon him, nor will we send upon him, unless by the judgment of his peers." The Declaration of Independence gives as one of the causes of the separation from the mother country for depriving us in many cases of the benefit of trial by jury. The Constitution of the United States and of the several States guarantees this right. Many wars have been waged, innumerable laws have been passed, judges have been impeached and deposed in order to maintain this sacred right which has long been recognized as one of the principal pillars in the structure of human liberty.

This course has been made necessary because experience has demonstrated that judges are human and prone to human errors, and while many of them may hear and determine such cases as come before them with conscientious care, there are those who do not hesitate to stretch or even break the law in their eagerness to promote the interests of those who are in a position to assist them in securing wealth, power, or notoriety.

All men are more or less influenced by their associations. Judges are like other men; they are moved by the same feelings, prejudices, or passions that influence ordinary citizens. Their associates are men of wealth and their social circle is one that few workmen enter. Their discussions of economical and industrial questions are almost invariably with the rich and affluent, who view the whole field of human effort from the standpoint of an employer. Judges would be more than human

if they did not gradually, even though unconsciously, become tainted with the ideas of some of the employing classes which are so widely at variance with the standards of right and equity revered by millions of those who toil. With a knowledge of these facts, wage-workers would be false to themselves, their families, and republican institutions if they failed to protest, with all the vigor and power they possessed, against any system of jurisprudence that can deprive a citizen of his liberty or property without the facts in his case having first been determined by a jury of his peers.

The broad scope that has recently been given to injunctions in labor disputes places an unlimited power in the hands of one man, and it makes no difference whether you call that man a czar or a judge, the result is the same. If he has a right to restrain a thousand men, the same right would apply to a million. If he can by law restrain a portion of the people, he can by the same law restrain the remainder and thus make himself dictator. Those who have not felt the heavy hand of this despotic system may feel secure in the enjoyment of "life, liberty, and the pursuit of happiness," but it is a false security. The power that can break the Constitution to crush the employees of a coal king or a railroad magnate—that can restrain the competitors of a trust or a syndicate—can destroy the business and curtail the liberties of any citizen whenever it suits the purpose of that power to do so.

Injunctions are not a modern innovation in the jurisprudence of the world, although their use in labor disputes is of very recent introduction. They can be traced into the remote past, and have been handed down to us from the days of absolute despotism, when the monarch, combining in his own person the legislative, judicial, and executive branches of government, issued his edict personally, or through his judicial agents, restraining persons from doing those things which were obnoxious to him.

In the early English practice, from which our system was derived, the court in chancery had the sole privilege of issuing injunctions, but it was only exercised in those cases where the property of the plaintiff was threatened with damage for which the statute or common law provided no adequate remedy. Upon this claim of the English courts our State and Federal judiciaries base their power to issue injunctions.

Injunctions in labor disputes are usually granted against violent or unlawful acts, for which the State or common law provides ample remedy, and is a clear violation of the right of trial by jury. They go far beyond the point of protecting the property interests of the plaintiff, and deny to the members of the trade union that has been restrained their constitutional right of public assemblage. They prevent us from going upon our own property to hold meetings, because it may happen to be near to or within sight of the property of our employers, although it would be difficult to imagine how it would be possible for us to own any property that is not adjacent to some other property. They deny us the right to talk to our fellow-citizens and endeavor to persuade them to cease working for the plaintiff, and injunctions embodying these orders are granted because it is alleged that if meetings are held, and the employees are induced to cease work, the property of the employer will be injured beyond any legal means of redress. That their property is entitled to the same protection that the property of other citizens receive can not be denied, but when an injunction is issued restraining the members of a union from in any manner interfering with an employee it carries with it the assumption on the part of the court that the employer seeking the order has a property interest in his employees, an assumption absolutely contrary to the letter of our Constitution and the spirit of our laws.

The only objects attained by their issue is to embarrass the wage-workers in their efforts to secure higher wages and better conditions of employment and to take out of the hands of a jury the right to hear and determine the facts in any case of violation, or alleged violation, of law.

The trade-unionists of our country never have, and do not now, ask for any immunity from the requirements of the law. We are now, and ever have been, defenders of law and order. We ask no special privileges at the hands of our Government. We seek only to secure for ourselves the same rights that are accorded to other citizens of our land, and we will not cease this agitation while the power remains in the hands of any one person, be he judge or layman, to issue an injunction revoking our constitutional rights to publicly assemble and freely discuss our grievances, and to deprive us of our liberty or property without the fact of our guilt having first been determined by a jury of our peers.

If the liberties of the American people are to be maintained; if we are to perpetuate a "Government of the people, for the people, and by the people;" if we would prevent a moneyed oligarchy from usurping the rights of the Republic, the power to issue and enforce injunctions in labor disputes must be taken from the courts. Persons must be punished for the crimes they have committed when a jury of their peers has determined their guilt, and under no pretense must they be deprived of liberty or property through the judgment, malignity, self-interest, or caprice of any one man.

If we desire relief from this condition that has grown upon us we must act in concert. We must first understand our needs and then put into effect the necessary machinery to get relief. We have nearly one-half million voters directly engaged in mining in the United States, who are distributed throughout the country in such proportions that we may determine the composition of Congress, and when we remember this fact we realize that if we do not secure remedial legislation the fault is our own. If we expect to secure relief, every laboring man must act, not by denouncing the courts or those who issue injunctions, but to demand of our Representatives in Congress to know where they stand with reference to the growing evil of government by injunction.

The American Federation of Labor has indorsed the Pearre bill intending to remedy this wrong. No measure can be more important than one necessary to protect the rights and liberties of the people. We therefore recommend the indorsement of the Pearre bill without amendments of any kind, and urge that every official and member of our organization write personal letters to their Congressmen and Senators urging the passage of this bill immediately.

We recommend that the United Mine Workers of America cooperate with any and all other organizations that may desire to cooperate with us in securing the passage of this measure, and we therefore recommend that the international officials be instructed to communicate with every national and international trade organization urging them to take similar action.

Respectfully submitted.

T. L. LEWIS, Chairman.
W. B. WILSON, Secretary.
JOHN P. WHITE.
JOHN H. WALKER.
JAMES CLARK.

Attest:

JOHN MITCHELL, President.
W. B. WILSON, Secretary-Treasurer.

Mr. KEIFER. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and Mr. BENNET of New York, having taken the chair as Speaker pro tempore, Mr. TOWNSEND, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 16268, and had come to no resolution thereon.

ENROLLED BILL PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. WILSON of Illinois, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States, for his approval, the following bill:

H. R. 2429. An act granting pensions and increase of pensions to certain soldiers and sailors of the war with Spain and other wars, and to the widows of such soldiers and sailors.

LEAVE OF ABSENCE.

Mr. SLEMP, by unanimous consent, was granted leave of absence for one week from Monday, the 16th, on account of important business.

ADJOURNMENT.

Mr. KEIFER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

Accordingly (at 5 o'clock and 17 minutes p. m.) the House adjourned.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, a letter from the Secretary of the Treasury, transmitting a copy of a letter from the Secretary of the Interior submitting an estimate of appropriation for printing and binding for the Department of the Interior, was taken from the Speaker's table, referred to the Committee on Appropriations, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. FRENCH, from the Committee on the Public Lands, to which was referred the joint resolution of the Senate (S. R. 51) providing for additional lands for Idaho under the provisions of the Carey Act, reported the same with amendments, accompanied by a report (No. 1233), which said resolution and report were referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, private bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the Committee of the Whole House, as follows:

Mr. COOPER of Wisconsin, from the Committee on Insular Affairs, to which was referred the bill of the Senate (S. 2210) to increase the salary of the United States district judge for Porto Rico, reported the same without amendment, accompanied by a report (No. 1234), which said bill and report were referred to the Private Calendar.

Mr. HOWELL of Utah, from the Committee on Claims, to which was referred the bill of the Senate (S. 534) to reimburse George W. Young, postmaster at Wanship, Utah, for loss of postage stamps, reported the same without amendment, accompanied by a report (No. 1235), which said bill and report were referred to the Private Calendar.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, committees were discharged from the consideration of bills of the following titles, which were thereupon referred as follows:

A bill (H. R. 6060) granting an increase of pension to Robert C. Yoost—Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 19118) granting a pension to Louise E. Eberle—Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 16814) granting an increase of pension to James A. Hicks—Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 18172) granting an increase of pension to Giles A. Woolsey—Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 8950) granting a pension to James Meehan—Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 19266) granting an increase of pension to Day Wheeler—Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials of the following titles were introduced and severally referred as follows:

By Mr. CRUMPACKER: A bill (H. R. 19306) providing for the purchase of the land on which the Census Office is situated, in Washington, D. C.—to the Committee on Public Buildings and Grounds.

By Mr. LANGLEY (by request): A bill (H. R. 19307) to amend sections 3285 and 3287 of the Revised Statutes—to the Committee on Ways and Means.

By Mr. GAINES of Tennessee: A bill (H. R. 19308) authorizing the Secretary of War to procure lock and dam sites for Locks B and C, located on the Cumberland River below Nashville, and erect and put in operation locks and dams at said sites—to the Committee on Rivers and Harbors.

By Mr. O'CONNELL: A bill (H. R. 19309) for the erection of a bust to the memory of Charles Thompson, first secretary of the Continental Congress—to the Committee on the Library.

By Mr. KAHN: A bill (H. R. 19310) to amend sections 617, 618, and 619 of the Code of Law for the District of Columbia, and for other purposes—to the Committee on the District of Columbia.

By Mr. SMITH of Michigan: A bill (H. R. 19311) to provide for the formation and disbursement of a public school teachers' retirement fund in the District of Columbia—to the Committee on the District of Columbia.

By Mr. FLOOD: A bill (H. R. 19312) to increase the limit of cost for the building of the United States post-office at Clifton Forge, Va.—to the Committee on Public Buildings and Grounds.

By Mr. FOSTER of Illinois: A bill (H. R. 19313) providing for the retirement of certain officers of the Navy—to the Committee on Naval Affairs.

By Mr. MANN. Joint resolution (H. J. Res. 154) directing the Secretary of War to cause to be made an examination and survey of the harbors and rivers at Chicago, Ill.—to the Committee on Rivers and Harbors.

By Mr. BEALL of Texas: Joint resolution (H. J. Res. 155) authorizing the Secretary of War to loan certain tents for use at the national convention of the Benevolent and Protective Order of Elks to be held at Dallas, Tex., in July, 1908—to the Committee on Military Affairs.

By Mr. HARDWICK: Resolution (H. Res. 302) requesting certain information from the President of the United States concerning corporations, etc.—to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions of the following titles were introduced and severally referred as follows:

By Mr. ADAIR: A bill (H. R. 19314) granting an increase of pension to John B. Mendenhall—to the Committee on Invalid Pensions.

By Mr. BOOHER: A bill (H. R. 19315) granting a pension to Nora R. Willett and minor child—to the committee on Pensions.

By Mr. CHAPMAN: A bill (H. R. 19316) granting an increase of pension to David A. Nations—to the Committee on Invalid Pensions.

By Mr. CURRIER: A bill (H. R. 19317) granting a pension to Alma P. Hilliard—to the Committee on Invalid Pensions.

By Mr. CUSHMAN: A bill (H. R. 19318) granting an increase of pension to Andrew J. Baldwin—to the Committee on Pensions.

Also, a bill (H. R. 19319) granting an increase of pension to Joseph R. Ralston—to the Committee on Pensions.

By Mr. GARNER: A bill (H. R. 19320) for the relief of the heirs of Esther McMullin and James McGloin—to the Committee on War Claims.

By Mr. HACKETT: A bill (H. R. 19321) to correct the military record of Dolphus A. Wiles—to the Committee on Military Affairs.

By Mr. HAMLIN: A bill (H. R. 19322) granting a pension to Vina Lindenbower—to the Committee on Pensions.

By Mr. HEPBURN: A bill (H. R. 19323) authorizing the appointment of W. S. Belden, late assistant adjutant-general of

volunteers, a captain of cavalry, and providing that he be placed on the list of retired officers—to the Committee on Military Affairs.

By Mr. HIGGINS: A bill (H. R. 19324) granting an increase of pension to Ruth Targee—to the Committee on Invalid Pensions.

Also, a bill (H. R. 19325) granting an increase of pension to Clara Taylor Kinney—to the Committee on Invalid Pensions.

By Mr. HULL of Tennessee: A bill (H. R. 19326) for the relief of the heirs of Kinch Exum, deceased—to the Committee on War Claims.

Also, a bill (H. R. 19327) for the relief of the heirs of James W. White, deceased—to the Committee on War Claims.

Also, a bill (H. R. 19328) for the relief of the heirs of James Cummings, deceased—to the Committee on War Claims.

Also, a bill (H. R. 19329) for the relief of the heirs of Sarah A. White, deceased—to the Committee on War Claims.

Also, a bill (H. R. 19330) for the relief of George W. Raney—to the Committee on Military Affairs.

Also, a bill (H. R. 19331) for the relief of G. W. Brown—to the Committee on War Claims.

Also, a bill (H. R. 19332) for the relief of N. C. Dunn, of Lebanon, Tenn.—to the Committee on War Claims.

Also, a bill (H. R. 19333) granting an increase of pension to James H. Carr—to the Committee on Pensions.

Also, a bill (H. R. 19334) to remove the charge of desertion standing against Sherrod Delk, deceased—to the Committee on Military Affairs.

By Mr. KIPP: A bill (H. R. 19335) granting an increase of pension to Arthur Onderdonk—to the Committee on Invalid Pensions.

By Mr. LAFEAN: A bill (H. R. 19336) granting an increase of pension to Perry Tawney—to the Committee on Invalid Pensions.

By Mr. LANGLEY: A bill (H. R. 19337) granting a pension to N. E. Rowland—to the Committee on Invalid Pensions.

Also, a bill (H. R. 19338) for the relief of J. William Burroughs—to the Committee on War Claims.

By Mr. LEVER: A bill (H. R. 19339) granting an increase of pension to Frederick Brodt—to the Committee on Invalid Pensions.

Also, a bill (H. R. 19340) granting an increase of pension to Wesley Amos—to the Committee on Invalid Pensions.

By Mr. LIVINGSTON: A bill (H. R. 19341) for the relief of the State of Georgia—to the Committee on War Claims.

By Mr. MILLER: A bill (H. R. 19342) granting an increase of pension to Robert McVey—to the Committee on Invalid Pensions.

By Mr. MURDOCK: A bill (H. R. 19343) granting an increase of pension to Nathaniel Seltzer—to the Committee on Invalid Pensions.

By Mr. PADGETT: A bill (H. R. 19344) for the relief of Mumford Smith, executor of James H. Cecil, deceased—to the Committee on War Claims.

By Mr. SCOTT: A bill (H. R. 19345) granting an increase of pension to George W. Moore—to the Committee on Invalid Pensions.

By Mr. SIMS: A bill (H. R. 19346) for the relief of the legal representatives of John M. Lester, deceased—to the Committee on War Claims.

Also, a bill (H. R. 19347) for the relief of John Dillahunt—to the Committee on War Claims.

By Mr. SMITH of Arizona: A bill (H. R. 19348) for the relief of William Wooster—to the Committee on Claims.

By Mr. SMITH of Texas: A bill (H. R. 19349) granting an increase of pension to Andrew C. Woodward—to the Committee on Pensions.

By Mr. WATSON: A bill (H. R. 19350) granting a pension to Henry Held—to the Committee on Invalid Pensions.

By Mr. WILSON of Illinois: A bill (H. R. 19351) granting an increase of pension to Daniel A. Brown—to the Committee on Invalid Pensions.

Also, a bill (H. R. 19352) granting an increase of pension to Edwin S. Jacobs—to the Committee on Invalid Pensions.

By Mr. YOUNG: A bill (H. R. 19353) for the relief of James E. Saunders—to the Committee on Claims.

By Mr. HOLLIDAY: A bill (H. R. 19354) granting an increase of pension to Isaac Vannest—to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, the following petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. ANTHONY: Petition of Grange No. 1430, of Berryton, Kans., for national highway commission—to the Committee on Agriculture.

By Mr. BRADLEY: Petition of Little Britain Grange and Florida Grange, Patrons of Husbandry, of Orange County, N. Y., and Minisink Grange, Patrons of Husbandry, for H. R. 15837, for a national highways commission—to the Committee on Agriculture.

By Mr. BRICK: Petition of William Landon Post, No. 200, Grand Army of the Republic, for a volunteer officers' retired list (previously referred to the Committee on Invalid Pensions)—to the Committee on Military Affairs.

By Mr. BURKE: Petition of William H. Mercur, for H. R. 428 (national registration of automobiles)—to the Committee on the Judiciary.

Also, petition of James Kent, for forest reservations in White Mountains and Southern Appalachian Mountains—to the Committee on Agriculture.

By Mr. BURLEIGH: Petition of National Funeral Directors' Association, against custom of burial at sea—to the Committee on the Merchant Marine and Fisheries.

By Mr. CALDER: Petition of William J. Carle, for copyright legislation beneficial to musical composers—to the Committee on Patents.

Also, petition of Lord & Hewlett, architects, of New York City, favoring continuance of original plan of Washington—to the Committee on the Library.

Also, petition of Paul G. Gravenhorst, of New York City, for forest reservations in White Mountains and Southern Appalachian Mountains—to the Committee on Agriculture.

Also, petition of Paul E. Vernon & Co., of New York City, favoring the Fowler currency bill—to the Committee on Banking and Currency.

Also, petition of Ludlow & Valentine, of New York City, for location of the Grant Memorial so as to preserve original plan of laying out of the capital—to the Committee on the Library.

By Mr. CAULFIELD: Petition of St. Louis Chemical Society, for establishment of a Government fuel-testing plant at St. Louis—to the Committee on Agriculture.

By Mr. CHANEY: Petition of H. P. Herr, G. H. Williams, and others, of Washington, Ind., against the Penrose bill—to the Committee on the Post-Office and Post-Roads.

By Mr. COOPER of Wisconsin: Petition of Joseph Bailey Post, No. 138, Grand Army of the Republic, of Palmyra, Wis., against consolidation of pension agencies—to the Committee on Appropriations.

By Mr. COUDREY: Petition of Missouri conference of Seventh Day Adventists, against religious legislation in the District of Columbia—to the Committee on the District of Columbia.

Also, petition of Missouri Manufacturers' Association, for a Government fuel-testing plant in St. Louis—to the Committee on Agriculture.

By Mr. CURRIER: Petition of Sidney C. Ellis and others, for the creation of a national highways commission—to the Committee on Agriculture.

By Mr. DAWSON: Petition of Scott County Grange, of Iowa, against option gambling in farm products—to the Committee on Interstate and Foreign Commerce.

Also, petition of Scott County Grange, for the Burnham bill, for establishment of a parcels-post system—to the Committee on the Post-Office and Post-Roads.

By Mr. DRAPER: Petition of W. A. Grimes and other citizens of New York, of the North Granville Grange, No. 1126, for a national highways commission—to the Committee on Agriculture.

By Mr. FITZGERALD: Petition of Adam Kekule and certain other citizens of New York and vicinity, for relief for heirs of victims of *General Slocum* disaster—to the Committee on Claims.

By Mr. FOSS: Paper to accompany bill for relief of Leander F. Merrill—to the Committee on Invalid Pensions.

By Mr. FULLER: Petition of Gen. Thomas W. Scott, adjutant-general Illinois National Guard, for H. R. 14783, promoting efficiency of the militia—to the Committee on Militia.

Also, petitions of Union Grange, No. 811, and of Robert Daring and others, of Rockford, Ill., for a national highway commission—to the Committee on Agriculture.

Also, petition of American Publishers' Association, for repeal of duty on white paper and wood pulp—to the Committee on Ways and Means.

Also, petition of Travelers and Merchants' Association of Baltimore, for the Fowler currency bill—to the Committee on Banking and Currency.

By Mr. FULTON: Petition of voters and citizens of the Second District of Oklahoma, against the Penrose bill—to the Committee on the Post-Office and Post-Roads.

By Mr. GAINES of West Virginia: Paper to accompany bill for relief of estate of William H. Morris—to the Committee on War Claims.

By Mr. GILHAMS: Petition of citizens of Ligonier, against religious legislation in the District of Columbia—to the Committee on the District of Columbia.

By Mr. GRAHAM: Petition of Henry Hubbard and Reade W. Bailey, for H. R. 428 (national registration of automobiles)—to the Committee on the Judiciary.

Also, petition of citizens of New York and vicinity, for relief for heirs of victims of *General Slocum* disaster—to the Committee on Claims.

Also, petition of Alumni Association of Stevens Institute of Technology, for H. R. 562, returning collateral inheritance tax to the institute—to the Committee on Claims.

By Mr. GRONNA: Petition of citizens of Carpenter, N. Dak., against the Penrose bill—to the Committee on the Post-Office and Post-Roads.

Also, petition of the Woman's Christian Temperance Union of Rolla, N. Dak., for the Littlefield original-package bill—to the Committee on the Judiciary.

By Mr. HAYES: Petition of Local Union No. 577, International Typographical Union, of Santa Rosa, Cal., for removal of duty on white paper, etc.—to the Committee on Ways and Means.

By Mr. HIGGINS: Petition of citizens of Norwich, Conn., against the Penrose bill—to the Committee on the Post-Office and Post-Roads.

By Mr. HILL of Connecticut: Petition of Windsor Locks Business Men's Association, against a parcels-post law—to the Committee on the Post-Office and Post-Roads.

Also, petition of Kent Grange, No. 154, of Litchfield County, Conn., for a national highway commission—to the Committee on Agriculture.

By Mr. HITCHCOCK: Memorial of Omaha Clearing House, against proposed bills to prohibit dealings in futures on the grain market—to the Committee on Interstate and Foreign Commerce.

By Mr. HOLLIDAY: Petition of O. K. Grange, of Vigo County, Ind., for national highway commission—to the Committee on Agriculture.

By Mr. HOWELL of New Jersey: Petition of Irwin C. Van Der Bergh, of Hoboken, N. J., for forest reservations in White Mountains and Southern Appalachian Mountains—to the Committee on Agriculture.

By Mr. HOWELL of Utah: Petitions of E. S. Grant and 30 other citizens of New Harmony; J. R. Johnson and 12 other citizens of Coyoto, and Robert D. Brown and 12 other citizens of Utah, against the Penrose bill—to the Committee on the Post-Office and Post-Roads.

Also, petition of citizens of New York and vicinity for relief for heirs of victims of *General Slocum* disaster—to the Committee on Claims.

By Mr. HULL of Tennessee: Paper to accompany bill for relief of J. W. White—to the Committee on War Claims.

By Mr. KIPP: Paper to accompany bill for relief of Arthur Onderdonk—to the Committee on Invalid Pensions.

By Mr. KNAPP: Petition of Hounsfield (N. Y.) Grange, for a national highway commission—to the Committee on Agriculture.

By Mr. LAFEAN: Petition of Socialist party of York, Pa., against the Penrose bill (S. 1518)—to the Committee on the Post-Office and Post-Roads.

By Mr. LINDBERGH: Petition of Charles M. Kechr and others, of Dixville, Minn., against Penrose bill—to the Committee on the Post-Office and Post-Roads.

By Mr. LIVINGSTON: Papers to accompany bills for relief of Benjamin F. Swanton and James B. Morris—to the Committee on War Claims.

By Mr. LOUD: Petition of Richfield Grange, against passage of the Penrose bill—to the Committee on the Post-Office and Post-Roads.

Also, paper to accompany bill for relief of Lyman B. Smith—to the Committee on Invalid Pensions.

By Mr. MCKINLEY of Illinois: Petition of citizens of Urbana and Champaign, for battle-ship building in navy-yards—to the Committee on Naval Affairs.

By Mr. MALBY: Petition of Macomb Grange, of Fern, N. Y., for a national highway commission—to the Committee on Agriculture.

By Mr. MOUSER: Petition of citizens of New York and vicinity for relief for heirs of victims of *General Slocum* disaster—to the Committee on Claims.

Also, petition of N. F. Burwell and others, for a national highway commission—to the Committee on the Post-Office and Post-Roads.

By Mr. OVERSTREET: Petition of Joel Walters and others, of Indianapolis, Ind., for S. 1519, against "Sunday banking in post-offices"—to the Committee on the Post-Office and Post-Roads.

Also, petition of Joel Walters and others, of Indianapolis, Ind., against religious legislation in the District of Columbia—to the Committee on the District of Columbia.

Also, petition of Joel Walters and others, of Indianapolis, Ind., for H. R. 4, against sale of intoxicants in the District of Columbia—to the Committee on the District of Columbia.

Also, petition of Emma Sparks and others, of Indianapolis, Ind., against religious legislation in the District of Columbia—to the Committee on the District of Columbia.

By Mr. PADGETT: Papers to accompany bills for relief of A. Truett and estate of James H. Cecil—to the Committee on War Claims.

By Mr. PAYNE: Paper to accompany bill for relief of James B. Hart—to the Committee on Invalid Pensions.

By Mr. RICHARDSON: Paper to accompany bill for relief of J. H. Carter—to the Committee on War Claims.

By Mr. RIORDAN: Petition of Buffalo Credit Men's Association, for H. R. 13266, amending the bankruptcy law—to the Committee on the Judiciary.

By Mr. STEENERSON: Paper to accompany bill for relief of James Meehan (previously referred to the Committee on Pensions)—to the Committee on Invalid Pensions.

By Mr. SULZER: Petition of John T. Hudson, for H. R. 17300, establishing a department of labor—to the Committee on Labor.

Also, petitions of John Luther Long, of New York; John Corts, of Seattle and New York; H. Kellett Chambers, Alice E. Ives, and Alice Kauser, of New York, against their musical compositions and plays being used by talking-machine companies and pianola companies without compensation, and to right the wrong, urging passage of the Kittredge-Barchfeld bill—to the Committee on Patents.

By Mr. TIRRELL: Petition of F. M. Boutelle and others, for a parcels-post law—to the Committee on the Post-Office and Post-Roads.

Also, petitions of James B. Tuttle and others and F. M. Boutelle and others, for national highway commission—to the Committee on Agriculture.

SENATE.

MONDAY, *March 16, 1908.*

Prayer by the Chaplain, Rev. EDWARD E. HALE.

The Secretary proceeded to read the Journal of the proceedings of Friday last, when, on request of Mr. KEAN, and by unanimous consent, the further reading was dispensed with.

The VICE-PRESIDENT. The Journal stands approved.

SENATOR FROM SOUTH CAROLINA.

Mr. TILLMAN. Mr. President, I send to the desk the credentials of Hon. Frank B. Gary, Senator-elect from the State of South Carolina. I ask that the credentials be read and placed on the table.

The credentials of Frank B. Gary, chosen by the legislature of the State of South Carolina a Senator for that State to fill the vacancy caused by the death of Hon. A. C. Latimer in the term ending March 3, 1909, were read and ordered to be filed.

Mr. TILLMAN. The Senator-elect is in the Chamber and ready to assume the duties of his office.

The VICE-PRESIDENT. The Senator-elect will present himself at the Vice-President's desk and take the oath prescribed by law.

Mr. Gary was escorted to the Vice-President's desk by Mr. TILLMAN, and the oath prescribed by law having been administered to him, he took his seat in the Senate.

CLAIM OF ELLEN L. FAUNCE.

The VICE-PRESIDENT laid before the Senate a communication from the chief justice of the Court of Claims, transmitting a letter from the Assistant Attorney-General, John Q. Thompson, requesting the recall by the Court of Claims of its findings in the claim of Ellen L. Faunce, widow of Peter Faunce, deceased, v. United States, No. 10942, Congressional, C and F 82, in order to make a necessary correction therein, which, with the accompanying paper, was referred to the Committee on Claims and ordered to be printed.

FRENCH SPOILIATION CLAIMS.

The VICE-PRESIDENT laid before the Senate a communication from the assistant clerk of the Court of Claims, transmitting the findings of fact and conclusions of law filed under the act of January 20, 1885, in the French spoliation claims set out in the annexed findings by the court relating to the vessel brig *Diana*, John Walker, master, which, with the accompanying paper, was referred to the Committee on Claims and ordered to be printed.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. W. J. BROWNING, its Chief Clerk, announced that the House had passed the bill (S. 5254) granting pensions and increase of pensions to certain soldiers and sailors of the civil war and certain widows and dependent children of such soldiers and sailors, with an amendment, in which it requested the concurrence of the Senate.

The message also returned to the Senate, in compliance with its request, the bill (S. 903) to amend section 2, chapter 433, 30 Statutes at Large, entitled "An act to confirm title to lots 13 and 14 in square 959, in Washington, D. C."

The message further announced that the House had passed the following bills in which it requested the concurrence of the Senate:

H. R. 2395. An act granting an increase of pension to Frank Z. Curry;

H. R. 3510. An act granting an increase of pension to Henry McCall;

H. R. 4226. An act granting a pension Harry L. Orendorff;

H. R. 4326. An act granting an increase of pension to James Barbour;

H. R. 5297. An act to complete the naval record of John Shaughnessy;

H. R. 6543. An act granting an increase of pension to Margaret C. Storts;

H. R. 7741. An act granting an increase of pension to Louisa E. Price;

H. R. 10837. An act granting a pension to Maggie Z. Tarter;

H. R. 10938. An act granting an increase of pension to Samuel W. Burt;

H. R. 11457. An act granting an increase of pension to Noble Saxton;

H. R. 11464. An act granting a pension Anna Borkowski;

H. R. 14341. An act granting an increase of pension to Mary Hutchinson;

H. R. 14680. An act granting a pension to Elizabeth Norton;

H. R. 15019. An act granting an increase of pension to William H. Jones;

H. R. 15547. An act granting a pension to Alexander Iaun;

H. R. 15605. An act granting an increase of pension to Dinah E. Sprague;

H. R. 15958. An act granting an increase of pension to Addie W. Farquhar;

H. R. 16028. An act granting an increase of pension to America Bruce;

H. R. 17311. An act to authorize the Pensacola, Mobile and New Orleans Railway Company, a corporation existing under the laws of the State of Alabama, to construct a bridge over and across the Mobile River and its navigable channels on a line approximately east of the north boundary line of said city of Mobile, Ala.;

H. R. 17331. An act granting an increase of pension to John Mogg, alias John Moor;

H. R. 17520. An act for the relief of tobacco growers;

H. R. 18029. An act granting an increase of pension to James Kilby;

H. R. 18347. An act making appropriations for the service of the Post-Office Department for the fiscal year ending June 30, 1909, and for other purposes;

H. R. 18754. An act granting pensions and increase of pensions to certain soldiers and sailors of the civil war and certain widows and dependent relatives of such soldiers and sailors;

H. R. 18930. An act granting pensions and increase of pensions to certain soldiers and sailors of the civil war and certain widows and dependent relatives of such soldiers and sailors;

and

H. R. 19101. An act granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy and certain soldiers and sailors of wars other than the civil war, and to widows and dependent relatives of such soldiers and sailors.

The House pension bills received this day from the House of Representatives, as before stated, were subsequently read twice by their titles and referred to the Committee on Pensions.